

308125

JPRS 84308

13 September 1983

# West Europe Report

No. 2203

**DISTRIBUTION STATEMENT A**

Approved for public release;  
Distribution Unlimited

**DTIC QUALITY INSPECTED 2**

19980603 146

**FBIS**

**FOREIGN BROADCAST INFORMATION SERVICE**

REPRODUCED BY  
NATIONAL TECHNICAL  
INFORMATION SERVICE  
U.S. DEPARTMENT OF COMMERCE  
SPRINGFIELD, VA. 22161

6  
81  
A05

#### NOTE

JPRS publications contain information primarily from foreign newspapers, periodicals and books, but also from news agency transmissions and broadcasts. Materials from foreign-language sources are translated; those from English-language sources are transcribed or reprinted, with the original phrasing and other characteristics retained.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by JPRS. Processing indicators such as [Text] or [Excerpt] in the first line of each item, or following the last line of a brief, indicate how the original information was processed. Where no processing indicator is given, the information was summarized or extracted.

Unfamiliar names rendered phonetically or transliterated are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear in the original but have been supplied as appropriate in context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by source.

The contents of this publication in no way represent the policies, views or attitudes of the U.S. Government.

#### PROCUREMENT OF PUBLICATIONS

JPRS publications may be ordered from the National Technical Information Service, Springfield, Virginia 22161. In ordering, it is recommended that the JPRS number, title, date and author, if applicable, of publication be cited.

Current JPRS publications are announced in Government Reports Announcements issued semi-monthly by the National Technical Information Service, and are listed in the Monthly Catalog of U.S. Government Publications issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

Correspondence pertaining to matters other than procurement may be addressed to Joint Publications Research Service, 1000 North Glebe Road, Arlington, Virginia 22201.

13 September 1983

## WEST EUROPE REPORT

No. 2203

## CONTENTS

## ENERGY ECONOMICS

## TURKEY

Marked First-Quarter Rise in Crude Oil (DUNYA, 21 Jul 83) .....	1
--	---

## ECONOMIC

## CYPRUS

Briefs Fifteen-Percent Spending Cuts .....	2
---	---

## TURKEY

Overview of Turkish-British Economic Ties (DUNYA, 28 Jul 83) .....	3
Exports to Iraq Suffer Major Reduction (HURRIYET, 22 Jul 83) .....	5
Export Prices on Industrial Goods Drop (DUNYA, 5 Jul 83) .....	6
Survey of Declining Purchasing Power of Lira (Onder Senyapili; MILLIYET, 11 Aug 83) .....	8
First Quarter Growth Far Behind Expected Rise (DUNYA, 27 Jul 83) .....	10
Goals of 1983 Economic Program Prove Unreachable (DUNYA, 28 Jul 83) .....	12
Assessment of Factors in New Spurt of Inflation (Editorial; DUNYA, 27 Jul 83) .....	14

Industrialists on Business Bail-Out Operations (TERCUMAN, 22 Jul 83) .....	16
Work Intensifies To Bail Out Floundering Firms (CUMHURIYET, 22 Jul 83) .....	18
Ministerial Committee To Regulate Company Bail Outs (DUNYA, 3 Aug 83) .....	20
Evren To Seek Revival of Worker Companies (Emin Colasan; MILLIYET, 5 Jul 83) .....	22
Diversification of Sumer Bank Interests Urged (Sakir Suter; TERCUMAN, 3 Aug 83) .....	24
Dogan Interprets Business' Approach to Political Parties (Yalcin Dogan; CUMHURIYET, 9 Aug 83) .....	28
Academic on Set Up, Operation of Free Zones (Cafer Unay; MILLIYET, 22 Jul 83) .....	30

#### POLITICAL

##### CYPRUS

Papandreou's Cypriot Policy Seen 'Amateurish' (I SIMERINI, 6 Aug 83) .....	33
Kyprianou Reportedly Takes Western Turn (I SIMERINI, 8 Aug 83) .....	34

##### GREECE

KKE Protests 'Three-Pronged' Political Attack (RIZOSPASTIS, 4 Aug 83) .....	36
PASOK, KKE Seen Aiming at ND Isolation (EPIKAIRA, No 783, 4 Aug 83) .....	38
ND's Collective Leadership Versus Papandreou's 'Uniqueness' (I KATHIMERINI, 12 Aug 83) .....	41
Reported Curtailment of Kapsis Responsibility Denied (ETHNOS, 3 Aug 83) .....	43
Suggestion To Politicize Armed Forces Reported (Editorial; I VRADYNI, 3 Aug 83) .....	44

##### TURKEY

Birand Notes Bureaucrat Concern, Foreign Ministry Duties (M. Ali Birand; MILLIYET, 11 Aug 83) .....	46
--	----

Erel on MDP Maneuvers for Upcoming Elections (Teoman Erel; MILLIYET, 11 Aug 83) .....	48
Overview of Party Organizational Efforts, Founders Vetoed (CUMHURIYET, 22 Jul 83) .....	51
Interview With Populist Party Leader Calp (CUMHURIYET, 22 Jul 83) .....	58
Political Twist Kozanoglu-Cavusoglu Bail Out (Yalcin Dogan; CUMHURIYET, 29 Jul 83) .....	61
Correct Way Party Leader Interviewed on Policy (Fusun Ozbilgen; CUMHURIYET, 11 Aug 83) .....	63
Inflammatory Ilicak Comment on Democracy, Dictatorship (Nazli Ilicak; TERCUMAN, 10 Aug 83) .....	66
Evren Discusses New Regional Administration System (CUMHURIYET, 9 Aug 83) .....	68

#### MILITARY

#### GREECE

Timely Issue of Larisa Headquarters Establishment by U.S. (Various sources, 7 Aug 83) .....	70
Main U.S. Goal, by Sofianos Khrysostomidis Prospects Following Bases' Agreement, by Giannis Kartalis	
New Regulations Affect Security Corps Entrance (AKROPOLIS, 9 Aug 83) .....	74

#### SWEDEN

ERRATUM: In JPRS 84252 of 2 September 1983 No 2198 of this series, article titled ARMED FORCES GET NEW WEAPONS FOR SUBMARINE SURVEILLANCE should be listed under SWEDEN on Table of Contents.

#### OCEAN ISSUES

#### PORTUGAL

Briefs Fishing Agreement With Mauritania	75
---	----

## MARKED FIRST-QUARTER RISE IN CRUDE OIL

Istanbul DUNYA in Turkish 21 Jul 83 pp 1, 7

[Text] Ankara (ANKARA AGENCY) -- Crude oil imports for January-April this year amounted to 4.9 million tons, 1 million tons more than the same period last year.

Despite the significant increase in quantity in crude oil imports, Turkey's bill was only \$150 million higher owing to declining world oil prices. While imports amounted to \$1, 049,000,000 at \$265.2 [as published: \$26.52] per ton for that period last year, the average price this year was \$23.50 and the total import figure was \$1,199,000,000.

Meanwhile, low increases over January-April 1982 were registered in imports of petroleum gases and diesel fuel, while fuel oil imports dropped from \$21.3 million to \$4.9 million.

Imports of industrial products amounted to \$1.5 billion overall in the first quarter of this year. Imports of industrial products were \$1.4 billion during the same period last year.

The increase in imports of industrial products is accounted for by imports of chemical industry products excluding fertilizer and of steel industry products, as well as a slight rise in imports of machinery and electrical appliances.

8349

CSO: 3554/390

## BRIEFS

FIFTEEN-PERCENT SPENDING CUTS--The Council of Ministers has decided to curtail public spending by 15 percent for all the state services, within the frameworks of the policy of frugality which it decided to adopt, in combination with restriction of the credit policy and the deficit shown by the budget. The decision was made fifteen days ago and written instructions were given to all government services to cut their expenses by suspending various works which had been planned but are considered of secondary importance, or if delaying their execution will not influence economic development. The Council of Ministers asked for strict implementation of its decision and already the various services, during study of their spending, are evaluating the priority works which they will incorporate into the two new budgets applicable to 1984; these had already begun to be prepared one month ago. According to rough calculations, a sum of about ten million pounds will be saved by the cuts. [Excerpt] [Nicosia 0 AGON in Greek 8 Aug 83 p 1] 9247

CSO: 3521/419

## OVERVIEW OF TURKISH-BRITISH ECONOMIC TIES

Istanbul DUNYA in Turkish 28 Jul 83 p 3

[Text] Ankara (ANKARA AGENCY) -- Foreign Minister Iltis Turkmen is in England on an official 3-day visit.

Turkmen will be meeting with British Foreign Secretary Sir Geoffrey Howe, and the major topics to be covered in their talks are expected to be bilateral economic relations, relations with Britain within the EEC framework and various international problems, including measures to be taken against international terrorism.

Significantly, British-Turkish relations are positive and retain a framework of mutual understanding. Diplomatic circles note that relations between Britain and Turkey, allied nations under NATO, have developed along positive lines in the past 3 years.

## No Visa

Britain is among the nations without a visa regime for Turkey. The political consultation mechanism between the two nations' foreign ministries is operable. Also, the political office chiefs exchange visits every 6 months.

It is pointed out, moreover, that Britain is a nation where no problems have arisen as regards security measures against international terrorism and our missions in London are most carefully guarded. Sources close to the foreign ministry also indicate that the sentence received by the Armenian terrorist arrested during preparations for an attack on the London embassy was welcomed by authorities as "very positive and sufficient."

## Economic Relations

Though Turkish-British economic relations are progressing positively in general, the restrictions begun unilaterally on Turkish textile products in the second half of 1982 by Britain as an EEC member are creating significant problems in Turkey's exports to this country.

It has announced that, in addition to restrictions now in effect, the unilateral EEC restrictions on Turkish textiles will be expanded between 16 July and 31 December 1983.



Turkmen is expected to take up the British government's unilateral action during his talks in London and request that the restrictions be lifted.

There is, however, a positive side to Turkish-British bilateral economic relations. There is now a Turkish-British Chamber of Commerce in London. Moreover, a seminar was held by the Turkish Union of Chambers in cooperation with British importing organizations to publicize Turkey's export opportunities and a British commercial delegation visited Turkey in May 1983.

Meanwhile, Turkey is enjoying a favorable status in its imports from Britain as a result of the British government's announcement that it would provide credit guarantees up to specific limits on imports Turkey would make as of 1 March 1983.

Britain is also among the nations providing Turkey regular aid within the OECD framework. British aid to Turkey from 1979 to 1982 totaled 15 million pounds sterling each year.

#### Import-Export

Turkey's imports from Britain were steady up to 1980, but doubled in 1981 to reach \$433,656,000 and have retained this level in subsequent years, being \$433,796,000 in 1982 and \$130,505,000 in the first 4 months of 1983. Turkey's exports to Britain followed practically the same course during those years without closing the gap between exports and imports. Turkey's exports to Britain were \$103,036,000 in 1979 and \$104,593,000 in 1980, after which they rose by 20 percent to \$147,960,000 in 1981 and \$189,030,000 in 1982. However, exports rose to \$102,578,000 in the first 4 months of 1983 and will reportedly register a significant increase by year's end.

8349

CSO: 3554/387

## EXPORTS TO IRAQ SUFFER MAJOR REDUCTION

Istanbul HURRIYET in Turkish 22 Jul 83 p 4

/Text/ ANKARA--Financially strapped Iraq cut Turkish imports 80 percent during the first quarter of 1983. This brought its imports from Turkey down to \$62 million compared with \$299 million for the same period last year.

Iraq announced that it was halting importation of 95 different Turkish products in order to alleviate problems with meeting payments and safeguard domestic production. It also cut back on importing another 71 items. Among those products completely halted were: cube sugar, vegetable oil, beer, raki, soap, aluminum doors, windows and other construction items, pipe fittings, telephone poles, nails, plastic pipes, tractors, radiators, small trucks and transport vehicles up to 11 tons, motors, transformers, rubber footwear, water purifiers, dry cell batteries, etc.

Officials from the Ministry of Finance note that a bankers' agreement has been signed between Turkey and Iraq for the purpose of stimulating Iraqi imports from Turkey. In accordance with this agreement, Iraq is to make partial payment in advance on goods to be exported from Turkey, with the unpaid balance being tied to bank credits for a term of 10-12 months.

As for Iran's alleged cancellation of some of its import contracts with Turkey, Minister of Commerce Kemal Canturk commented as follows: "There is no question of a cancellation in export contracts that Iran has with us. When I heard the rumors, I immediately looked into this matter myself. I queried Tehran by telex. The response I received indicates that nothing has been cancelled for any reason whatsoever."

12279

CSO: 3554/379

## EXPORT PRICES ON INDUSTRIAL GOODS DROP

Istanbul DUNYA in Turkish 5 Jul 83 pp 1,7

[Text] The export prices for industrial products have fallen sharply. The average export price for external cement industrial products, which was 1051 dollars for the first 4 months of 1982, fell to 839 dollars for the same period in 1983.

The general fall of average export prices for industrial goods has been influenced by world market price fluctuations, by incentive measures carried out through tax rebates and hard currency policy and by changes in the ratio of types of goods offered.

Calculations based on cement for export, taking into consideration the private price situation, show that in the first 4 months of this year, quantitatively, exports of industrial goods rose 80 percent yet the value of these exports climbed only 43.8 percent. According to these figures, the average export price which had been 1051 dollars per ton in the January through April 1982 period has fallen to 839 dollars per ton. Calculations made in the basic industrial groups have shown that, except for cotton cloth and glass and ceramic products, average export prices have fallen.

The average price drops per ton for export goods in various industrial sectors are as follows:

Chemicals--400 dollars down from 516 dollars; rubbers and plastics--1042 dollars down from 1610 dollars; Deri-Kosele [hides and leathers]--58511 dollars down from 60,928 dollars; Orman [wood products]--352 dollars down from 1408 dollars; Demir-Celik [steel and iron]-395 dollars down from 477 dollars; Demir Disi Metalleri [foreign steel metals]--2166 dollars from 2499 dollars; Madeni Esa [minerals] 2345 dollars down from 2746 dollars; Makina Sanayii [machinery]-- [apparent omission] down from 3870 dollars and Tasit Araclari [vehicles]--3199 dollars down from 5093 dollars.

On the other hand, the average price for cotton yarn products has gone up from 5449 dollars to 6444 dollars and glass and ceramics from 3361 to 3860 dollars.

The primary factors instrumental in the drop in the dollar value for prices of Turkish export goods are as follows:

Among the possibilities that come to mind is that in each industrial sector, the selection of goods for export may have been directed toward goods with less value-added. However, it is being pointed out that the appearance of such an activity as a general trend runs contrary to the overall development of the economy. It is being said that this factor could have a dampening effect in some sectors.

The general decrease in prices in almost all industrial sectors is believed to stem from the inability to convert the price increases in export goods, expressed in lira, to the appropriate dollar values. Thus while the prices for goods in lira increase for the local producer, the dollar price drops and it amounts to the value loss of the currently depressed Turkish lira. As is known, in the past year, the lira has lost 25.2 percent of its value compared with the dollar.

In recent years, exporting firms have broadened their areas of activity and this, along with breaking records for exports, has brought about a rise in the rate of tax rebates. This too creates the possibility for exports at reduced prices.

Export firms, which in the early years had large profit margins, are now accepting lower prices for exports lest they lose markets. This too can have the effect of lowering the general price level.

There were firms unsure of the results of indirect incentive measures without seeing specific applications of the export incentive policy begun with the 24 January decisions and their resorting to high price exports may also be a factor in the latest price reductions. The corporation tax, cheap income guaranty and after export advantages like the ability to use earned foreign currency to the exporter's benefit created the opportunity for price reductions in Turkish exporter contracts.

12280  
CSO 3554/361

## SURVEY OF DECLINING PURCHASING POWER OF LIRA

Istanbul MILLIYET in Turkish 11 Aug 83 p 7

[Report by Onder Senyapili]

[Text] Ankara--A survey by MILLIYET shows that 1,000 Turkish liras has lost 98 percent of its purchasing power in 13 years. In other words, 1,000 Turkish liras can buy today only 1 to 2 percent of the goods it could buy in 1970. For example, in 1970, 1,000 Turkish liras could buy 83.3 kilograms of beef; today it can buy only 1.4 kilograms of beef, which is 1.6 percent of the amount that could be bought in 1970. One Turkish lira of 1970 is equivalent to 20 Turkish liras of 1983.

The lira has lost around 60 percent of its purchasing power since 1980. Today, 1,000 Turkish liras can buy one-third to one-half of the goods it could buy in 1980.

For example, in 1980, 1,000 Turkish liras could buy 40 kilograms of bread; today it can buy less than half that amount. A housewife could buy 20 kilograms of granulated sugar for 1,000 Turkish liras 3 years ago. Today, she can buy half that amount with the same sum of money. Beerlovers could drink 50 bottles of beer for 1,000 Turkish liras 3 years ago. Today, they are paying 1,000 Turkish liras for around one-quarter (13.3 bottles) that number of bottles. Booklovers have been forced to reduce the number of books they read by two-thirds in 3 years.

Another fact revealed by the survey is that a citizen who has only 1,000 Turkish liras in 1983 cannot enter a physician's office to be examined. The cost of a visit to the doctor has risen from an average of 600 Turkish liras in 1980 to 2,000 to 2,500 Turkish liras today.

Comparing 1970 prices with current prices is no longer possible. The prices of 1970 sound like a fairy tale. One kilogram of feta cheese that costs anywhere from 450 to 600 Turkish liras today used to cost around 11 Turkish liras in 1970. It is well-known how high electricity bills have been. That is because the cost of electricity has risen from 34 piasters per kilowatt-hour in 1970 to 10.95 Turkish liras per kilowatt-hour in 1983.

The figures show that the cost of heating has also increased significantly. The cost of firewood has increased from 5.20 Turkish liras per kilogram in 1980 to 14 to 15 Turkish liras today. In 1970, one kilogram of firewood sold for only 21 piasters.

Price increases for durable goods are almost unbelievable. If Turkey's inhabitants were told 13 years ago that these would be the prices in 1983 they would never believe it. For example, a kerosene oven that could be bought for around 2,000 Turkish liras in 1970 sold for an average of 26,500 Turkish liras in 1980 and is selling for between 44,000 and 66,000 Turkish liras today. Automobile prices rose from an average of 58,000 to 60,000 Turkish liras in 1970 to 850,000 Turkish liras in 1980. Today, the least expensive domestic car sells for 1,398,000 Turkish liras.

Table 1. Prices of Goods and Services (Turkish liras)

	<u>1970</u>	<u>1980</u>	<u>Percent change</u> <u>1970-1980</u>	<u>1983</u>	<u>Percent change</u> <u>1980-1983</u>
Mutton	14.00	305.00	2,100	700.00	230
Feta cheese	11.00	220.00	1,900	480.00	220
Cracked wheat	2.12	35.00	1,600	75.00	210
Rice	4.90	65.00	1,200	150.00	230
Milk	2.50	55.00	2,100	80.00	140
Soap	6.00	140.00	2,100	440.00	310
Visit to doctor	16.50	600.00	3,500	2,500.00	410
Firewood	0.21	5.20	2,400	14.00	260
Electricity	0.34	6.25	1,700	10.95	150
Oven	2,000.00	26,500.00	1,200	55,000.00	210
Movie ticket	1.75	50.00	2,800	100.00	100
Automobile	58,600.00	851,000.00	1,400	1,400,000.00	160

Table 2. Purchasing Power of 1,000 Turkish Liras

	<u>1970</u>	<u>1980</u>	<u>1983</u>
Bread	787.4 kilograms	40.0 kilograms	17.5 kilograms
Beef	83.3 kilograms	2.8 kilograms	1.4 kilograms
Chicken	49.5 kilograms	5.4 kilograms	2.7 kilograms
Tea	25.0 kilograms	4.5 kilograms	1.5 kilograms
Sugar	282.5 kilograms	20.0 kilograms	10.0 kilograms
Textile print	323.6 meters	25.0 meters	5.65 meters
Kerosene	1,000.0 liters	39.7 liters	13.5 liters
Beer	667 bottles	50 bottles	13.3 bottles
Newspaper	2,000 issues	100 issues	33 issues
Books	127 volumes	10 volumes	3 volumes

9588

CSO: 3554/403

## FIRST QUARTER GROWTH FAR BEHIND EXPECTED RISE

Istanbul DUNYA in Turkish 27 Jul 83 p 1

[Text] Ankara (DUNYA) -- Nihat Guner, chief of the State Institute of Statistics [SIS], announced that the development rate based on first-quarter data for 1983 is 2.9 percent, less than the program goal of 4.8 percent and lower than the 4.6-percent rate in 1982.

SIS Chief Nihat Guner announced in a press release yesterday that agriculture showed a 2.6-percent decline at fixed prices compared to a year ago and that growth was 6.9 percent in industry, .3 percent in construction, 5.5 percent in wholesale and retail trade, 2.6 percent in transportation and communications, .5 percent in financial institutions, 2.4 percent in home-ownership income and 2.8 percent in the independent professions and services.

The agricultural sector decline of 2.6 percent at fixed prices despite a 15.6 percent rise in current prices is attributed to lower production of wheat, barley, rye, oats, corn, rice, sugar beets, onions and potatoes.

In registering above-target growth in the manufacturing industry, private-sector production rose in foodstuffs, textiles, paper and paper products, printing, primary chemicals, other chemicals, petroleum and coal derivatives, rubber products, metal industry, electric machinery and vehicles. Private-sector production was lower than 1 year ago in forestry products and furniture, stone-and-soil-based branches of industry and the machine industry other than electric machinery. Production increases in the public sector reportedly came in textiles, paper, chemicals and metal.

Per capita income rose .8 percent at fixed prices according to the SIS announcement. The growth rate in per capita income in 1982 was 2.3 percent.

Meanwhile, the income drop in the agricultural sector means a decline from 22.2 percent to 21 percent in the sector's share of total GNP, while the industrial sector's share in GNP rises from 25.6 percent to 26.6 percent. Construction dropped from 5.9 percent to 5.8 percent.

The 15.4-percent rate at fixed prices in external-factor income in 1982 also declined. The basic cause of this was summed up in the SIS announcement as "a decline compared to 1 year previously in foreign exchange remittances sent by workers employed in foreign countries and higher interest payments on the foreign debt."

Sector	GNP Development	
	(%)	
	81-82	82-83
Agriculture	6.4	2.6
Industry	6.3	6.9
Construction	.5	.3
Trade	4.9	5.5
Transportation, Communications	1.9	2.6
Financial Institutions	1.6	.5
Services and Professions	4.9	2.8

8349

CSO: 3554/388



## GOALS OF 1983 ECONOMIC PROGRAM PROVE UNREACHABLE

Istanbul DUNYA in Turkish 28 Jul 83 p 1

[Text] Ankara (DUNYA) -- The economic indicators for the first half of the year, in scrapping the possibility of realizing program goals, confirm the need to revise all macro balances for 1983. With the rate of development down to 2.9 percent, lagging behind the 4.8-percent program goal, the inflation rate is expected to reach 29.5 percent, foreign trade values are expected to lag behind the program and the 5.7-percent increase in fixed capital investments dependent on them as envisaged by the program is not expected to be reached.

The expectation, as a result of analyses by the State Institute of Statistics of first-quarter data, that the development rate will lag behind that of a year ago as well as the program estimates indicates that the only chance increase rates and foreign trade will have to meet the estimates in the first half of the year is to revise them, and the Supreme Coordination Council on Economic Affairs is expected to review the general economic situation in the next few days. It had been decided at an earlier meeting of the Supreme Coordination Council on Economic Affairs in June that a special meeting would be called to review the general economic situation, but the meeting has not yet been held.

## Negative Indicators

Figures based on the 17-percent rise in the wholesale price index for the first half of the year indicate that the inflation rate will reach 29.5 percent for the year. This is based on the assumption that the rate of price increases in the second half of 1982 will hold true for this year also.

The development rate, meanwhile, is not expected to rise above the 2.9 percent projected 2 days ago. The 2.9-percent development rate is based primarily on the decline observed in agricultural production, but it may drop even further in the second half of the year as a result of stoppages in industrial production owing to power cut-offs. Moreover, the increase in total resources is less than expected, making it impossible to achieve investment goals.

Expectations in light of developments in the first half of the year are that exports will be less than the \$7.1 billion of the program estimate at \$6.2 billion, imports will be less than \$10 billion at \$9.4 billion and worker remittances, instead of the goal of \$2,550,000,000, will be around \$2 billion.

Moreover, the declining rate of the ability of general budget revenues to meet outlays, in raising budget commitments, has given impetus to a financial policy of domestic borrowing.

#### Possible Measures

Authorities point out that they are limited as to measures that could be taken in the short run to eliminate in the second half of the year the negative factors now observed in the economy and recalled that industrial production above the program goals had been welcomed and a change made in the export tax return tables some time ago to allow this excess to be exported.

The method chosen to combat the negative factors created by the [failure] of budget revenues to cover expenditures is more intensive utilization in the months ahead of measures emphasizing borrowing policy as a vehicle of restrictive money policy. The Finance Ministry is expected to launch a campaign in the months ahead to increase sales of domestic borrowing bonds which have already reached 127.9 billion liras in 5 months.

In connection with this, new foreign borrowing possibilities are reportedly being considered vis-a-vis the lag in export and worker remittance goals.

Zekeriya Yildirim, head of the Central Bank Foreign Exchange Department, went to Germany early this week to discuss proposals from West German banks as regards the \$200 million in bank credits signed recently.

Moreover, in an effort to keep production losses occasioned by energy rationing at a minimum during the second half of the year, a further review of the rationing schedule as to reservoir levels at the dams and production capacities of thermal power plants is reportedly expected in early September.

#### Major Indicators 1983 Goals, Expected Outcome

Indicator	Program	Expected
Development rate (%)	4.8	2.9
Exports (\$ billion)	7.1	6.2
Imports (\$ billion)	10.0	9.4
Worker remittances (\$ billion)	2.55	2.0
Inflation rate (%)	20.0	29.5

8349

CSO: 3554/387

## ASSESSMENT OF FACTORS IN NEW SPURT OF INFLATION

Istanbul DUNYA in Turkish 27 Jul 83 p 1

[Editorial: "Indicators Turning Ugly"]

[Text] Price statistics released by the Ministry of Commerce show inflation entering a new rising trend. And it was happening quite some time before the price hikes in liquid fuel and related items 2 days ago.

According to analyses by the Commerce Ministry's Office of Conjuncture and Distribution, wholesale goods prices which rose 1.2 percent in May suddenly spurted as high as 3.9 percent in June. It is hard to look upon this rise as a normal occurrence linked to seasonal causes. Price activity in June 1982 resulted in a rise of only .5 percent.

That inflation is rising significantly is confirmed by price movements of the first half of the year and over the past 12 months as well. Prices rose 12.8 percent in the first half of the year last year; this year they climbed to 17 percent. Likewise, the adjusted price increase for the past 12 months is at 29.5 percent this year as opposed to 23.9 percent activity last year.

These developments in general price levels are a sufficient indicator of how unrealistic the banks' efforts are to force deposit interest rates down for the second half of the year. Clearly, the predicted slowing of inflation to 20 percent is only a paper hope. Under these circumstances, with interest rates a pretty far cry from netting a yield equivalent to the present inflation rate, there is no doubt that the banks will have difficulty competing with gold and similar savings alternatives. The danger here is that the flight of wealth abroad may pick up.

In fact, the State Institute of Statistics [SIS] has reached the conclusion that the program estimate for reducing the 27-percent inflation of 1982 to 20 percent will not hold. It is estimating 24.2 percent. Moreover, the recent fuel and related price hikes will spur inflation even more.

Treasury, meanwhile, has a liquidity shortage in concrete terms of 150 billion liras in contracting and 30 billion liras in fertilizer, indicating it will be forced to issue money. Thus another serious obstacle to the hopes that inflation would be controlled or slowed is the possibility of increased emissions.

The "first interim" national income estimate for 1983 made by the SIS on the basis of first-quarter data indicates that not only the inflation target, but the growth target as well will remain on paper. This estimate, which predicts that domestically-generated income will rise 3 percent over the previous year, figures the growth rate at 2.9 percent on the assumption that external income will continue to decline.

The growth rate is rather well below the 4.8-percent target and last year's 4.6-percent growth. Moreover, it seems that announcements claiming the growth process would resume after 1980 have not been matched by the facts.

Per capita income for 1983, though nearly eight times higher than in 1978, drops by .4 percent when adjusted for inflation. Meanwhile, if one figures on the Turkish lira continuing to depreciate against the U.S. dollar in the second half of the year along the same course it took in the first half, per capita income will again dip below the \$1,000 mark which was surpassed in 1977. Thus the \$1,000 mark, considered a concrete indicator that the shackles of less-developed status have been smashed, is again being lost, after a 5-year struggle with the international division of labor.

These negative indicators show that difficulties may still be encountered in protecting one's foreign credit once it is regained. Such an undesirable development will put a strain on Turkey in its 1985-1986 debt repayment.

What is gaining importance is the revision of growth and inflation policies.

8349

CSO: 3554/388

## INDUSTRIALISTS ON BUSINESS BAIL-OUT OPERATIONS

Istanbul TERCUMAN in Turkish 22 Jul 83 p 5

/Text/ Industrialists who took the floor at the July assembly of the Istanbul Chamber of Industry strongly criticized the bureaucracy and operations geared toward bailing out financially troubled firms.

Chairman of the Board Nurullah Gezgin, pointing to increasing rumors that the bail-out operations are oriented toward "bailing out individuals," remarked: "These operations are being done all wrong. The way they are being done contradicts our economic policy...If things continue to pursue this course, arguments will keep going on. There is no such thing as 'bailing out individuals' in free market policy."

Gezgin explained that 'objective' rather than 'subjective' approaches must be taken in bailing out firms. Noting how economic efforts are now beginning to take a back seat as politics comes to the fore, he commented: "This is a setback from an economic standpoint. As private enterprise loses the enthusiasm it had in the 1981-1982 period and the government becomes less attentive to economic problems, economic recovery will be delayed."

Sakip Sabanci, also taking the floor at the meeting, reminded everyone how even the Mayor of Istanbul is complaining about the bureaucracy. Commenting on the bureaucracy, Sabanci stated: "What ever happened to action, strategy, ideas? Are we going to be in this very same spot six months from now, six years from now? In some cases, the bureaucracy is hampering our efforts, stopping us in our tracks... Just who is it that is stopping us?... We keep telling ourselves that nobody in the world likes us. We don't even like ourselves... We need to ask ourselves who is stopping us and why. We know we have our faults. But, let's not let the bureaucracy keep throwing it in our faces that we, the private sector, think of nothing but our own interests. We must start waking up and find out why we are in the position we are in..."

Halit Narin, remarking how the economy has been put on hold for the time being, made it clear that social development is contingent upon the solution of economic problems. He expressed his views as follows: "The fact that the cost of credit remains high even though everyone in Turkey is talking about it serves as an indicator that there has been no change in economic activities. Furthermore, the approach to the problems hasn't even been serious."

Narin emphasized how billions of lira are being used for bailing out firms, while insufficient export credit is being given to exporters. He asked that a more sensible approach be taken.

Ertugrul Soysal's contention was that the main problem lies in figuring out how to stimulate the economy without worsening inflation. He blamed the State Economic Enterprises as the chief reason for inflation. Addressing the bail-out operations for firms in trouble, Soysal said: "There isn't even enough money for investments in the private sector. The funds and other resources that the sector has been able to accrue are going to the bail-out operations. Bankers, banks and firms in crisis have already been given 150 billion lira. This aid is being granted before the money is even printed so that inflation won't get worse. Okay... so where's the return? The banks' assets are being frozen. In the banks there are revolving credits reaching into the 100 billions. Doesn't this cost the banks something? So, can we really expect to see the interest rate on credit lines go down?"

12279

CSO: 3554/378

## WORK INTENSIFIES TO BAIL OUT FLOUNDERING FIRMS

Istanbul CUMHURIYET in Turkish 22 Jul 83 p 9

/Text/ ECONOMIC SERVICE--Operations geared toward "bailing out" financially troubled firms are expected to intensify and gain new dimensions in the days ahead. The operation directed at saving Transturk Holding, for example, is reportedly at the decision-making stage, and an agreement in principle has likewise been reached in talks underway at the Ministry of Finance for helping out the Cavusoglu-Kozanoglu Group. Some circles also say that support for the Demiroren Group is on the agenda.

According to Ankara News Agency information, the final meeting on bailing out Transturk Holding is to be held in Ankara today at the Ministry of Finance. Minister of Finance Adnan Baser Kafaoglu is expected to attend. The formula being developed for postponing Transturk Holding's debt of approximately 24 billion lira is likely to be finalized at this meeting. Reportedly, the idea of giving the firm an additional 3.5 billion lira is also to be discussed.

This bail-out operation tends to place most of the burden on the shoulders of the banks. This is why certain banks in particular are reluctant to consent to the Ministry's formula. According to the formula, Business Bank of Turkey, Construction and Credit Bank, and Turkish Agriculture Bank become Transturk Holding's creditors for more than five billion lira each. Everyone is anxious to see how the formula shapes up at today's meeting.

Based on information reported in DUNYA, an agreement in principle has also been reached in talks held between the Ministry of Finance and the Kozanoglu-Cavusoglu Group. The plan formulated for this latter group is to be implemented over a period of three years. It reportedly calls for using the deposit insurance fund to be set up through the new banking agreement to meet the 2.5 billion lira needed to keep the group in business. The bail-out

operation is expected to be discussed in Ankara and a conclusion reached in the days ahead.

Meanwhile, the Demiroren Group, which is having serious problems paying for bonds marketed by Kastelli that have now reached maturity, is continuing its contacts in Ankara. A formula is allegedly being sought to overcome this group's problems as well. The operation could involve approximately 7 billion lira.

12279

CSO: 3554/378



## MINISTERIAL COMMITTEE TO REGULATE COMPANY BAIL OUTS

Istanbul DUNYA in Turkish 3 Aug 83 p 1

[Text] Ankara (DUNYA) -- The "salvage operations" conducted to date on its own by the Finance Ministry for the purpose of helping troubled companies will from now on be handled by a commission composed of the ministers of culture and tourism, customs and monopolies, finance and industry and the SPO [State Planning Organization] undersecretary. Thus the Finance Ministry will not be stepping in "directly" as it has before for firms in difficulty owing to private debt, but will make its expertise available to lender and borrower alike within the framework of principles defined by the commission.

The growing number of applications by troubled firms for Finance Ministry intervention to establish communications with lenders to reach agreement on a protocol and the failure of the recent Transturk operation have made a change in Finance Ministry practices in this area necessary. A special meeting of the Economic Council called day before yesterday by Prime Minister Bulend Ulusu laid particular stress on "salvage operations." Following discussions centering on the need for systematic procedures in salvage operations and for action to be taken on the basis of certain principles during these operations, it was decided that the operations should be conducted by a commission consisting of various ministers. Thus the principles for salvage operations for troubled firms are to be defined and decisions are to be made by a "commission" consisting of Culture and Tourism Minister Ilhan Evliyaoglu, Customs and Monopolies Minister Cafer Tayyar Sadiklar, Finance Minister Adnan Baser Kafaoglu, Industry Minister Mehmet Turgut and SPO Undersecretary Yildirim Akturk.

According to information obtained from authorities, the commission composed of the four ministers and the SPO undersecretary will study all data related to the general status of troubled firms or ones applying for help and will quickly decide on the firms where the Finance Ministry can step in.

The firms to be bailed out under a general plan during the period following a detailed audit of these private corporations will be decided upon later by the Economic Council. The Economic Council, meeting under Prime Minister Bulend Ulusu, also adopted the principle that not every troubled firm or individual would be bailed out, but efforts would be made to ensure that the firms and the banks meet face to face and work out agreements.

Authorities said that under the new decision in principle, in cases where the public is the lender, the commission will meet with the firm or group of firms and the discussions in these meetings will be conducted by the enterprise primarily concerned. The first application of this practice will be in the ISKUR [Worker, Businessmen, Chemical Industry Organizations Corporation] case, according to authorities. In the case of ISKUR, which had applied for Finance Ministry assistance earlier and declared bankruptcy at the time the ministry was to take up the case, the Finance Ministry will not step in directly, but instead the lending banks -- the Foundations Bank, the Real Estate Credit Bank and the Maritime Bank -- will try to work out a solution. The Finance Ministry will not be officially involved in these efforts. The commission, which includes the Finance Ministry however, will serve unofficially as coordinator in necessary cases.

#### Exceptions

Meanwhile, it was announced by certain officials that the change in method in salvage operations to be conducted by the commission does not include firms engaged in contracting services abroad. A Finance Ministry official said, "Firms of this type run into trouble owing to the inability to collect what is owed them from a state. For this reason, it is natural that the Finance Ministry act on behalf of the state and take the necessary action in cases related to foreign exchange receipts, but there will be no question from now on of the Finance Ministry's intervening in firms' debts in a Transturk-type operation."

8349

CSO: 3554/394

## EVREN TO SEEK REVIVAL OF WORKER COMPANIES

Istanbul MILLIYET in Turkish 5 Jul 83 p 9

[Article by Emin Colasan: "Evren: This Scandal Will Be Ended Immediately."]

[Text] President Kenan Evren has directed officials to find a solution to the problem of workers companies and he ordered that the solution found be implemented as quickly as possible. Work along the lines of the president's directive has begun in the concerned state organizations.

A large portion of the approximately 300 worker companies which our workers employed abroad began establishing at the end of the 1960's has, for years, been in very dire straits. Many of the factories set up all throughout the country by these companies have either closed or are on the brink of doing so. Many members of the companies which have fallen on hard times for such reasons as errors stemming from their own organizations, currency exchange differences and the gradual accumulation of debts and the inability to pay them off, are our own workers who work abroad.

Our workers discovered that their earnings have been lost because the factories whose operations they have contributed to through investing their earnings from abroad, were now unable to operate and the activities of the worker companies had virtually ceased years earlier. This situation has a negative impact on the Turkish economy both in regard to income as well as to employment and production. In many cases, the factory is abandoned or passes into the hands of others at a reduced price. Membership in these companies has reached 300,000 workers.

Our fellow countrymen who are members of these companies made repeated appeals particularly when the government was trying to resolve the bankers situation and they demanded a solution be found for their difficulties too. Many worker company members and small businessmen who appealed to President Evren, pointed out that they had participated in the country's development with their money and that they had contributed to the establishment of factories. In their appeals those hurt by the companies maintained that the factories which they had established were not taken into account when the problems of their fellow citizens who had deposited money with the bankers were resolved. They asked the president to protect the rights of the 300,000 non-organized members.

## Seeking a Solution

President Kenan Evren has directed government officials to reestablish the worker companies and to defend the rights of our fellow citizens who make investments in these factories. "This scandal will be ended immediately," he said, "Find the solution quickly and bring it to me."

Acting on this directive, Finance Minister Adnan Baser Kafaoglu and other high-ranking officials have met with the president's economic counsellors. As a result, agreement was achieved on a freeze at current rate values of the foreign debts, which are the primary problem for these companies, and for these debts to be fixed to a specified payment schedule for at least 10 years. If this formula is adopted, the hard currency debts of the worker companies will be assumed by the government and will be paid from hard currency reserves on hand. Furthermore, the domestic debts of these companies will, for a while, come under state guaranty and the state will make payments to the creditors. Now, so that these solutions can be implemented, data and figures on the worker company phenomenon are being collected and sources sought. Intensive meetings and discussions are being set up to accomplish this.

The monetary cost to the state is still not known. However, despite the Finance Ministry's reluctance on this question, in the upcoming weeks a definite solution is expected along the lines of the presidential directive.

12280  
CSO 3554/361

## DIVERSIFICATION OF SUMER BANK INTERESTS URGED

Istanbul TERCUMAN in Turkish 3 Aug 83 p 5

[Article by Sakir Suter: "Sumer Bank Must Diversify"]

[Text] Sumer Bank gave Turkish industry its first impetus and has had a large share in its development and growth. This is an irrefutable, indisputable fact. Something that is disputable, however, is: "Sumer Bank's competition with the private sector, the state's persistence in areas where the private sector could easily manage while many areas exist in which the state's pioneering effort is needed, and similar matters."

Sumer Bank General Director Remzi Yucebas expressed this fact at his press conference in honor of Sumer Bank's 50th anniversary in these words:

"Although Sumer Bank retains its importance and value, its own share in total production has declined the more private-sector businesses have multiplied in textiles and certain areas of activity in which its task was to develop an example.

Production Shares

"Sumer Bank's share in production in the major products produced domestically is now around:

"16.4 percent in cotton yarn,  
"16 percent in cotton textiles,  
"8 percent in wool yarn,  
"14.4 percent in wool textiles,  
"100 percent in magnesite-based bricks and mortar,  
"37 percent in dining room furnishings and accessories,  
"28 percent in electro-porcelain,  
"50 percent in Valex (concentrated vanilla bean extract),  
"100 percent in viscon yarn, and  
"25 percent in plywood and fiberboard production."

The view is gaining strength that Sumer Bank's areas of activity should be altered and that it should be allowed to operate in a way different from its function of 50 years ago.

Halit Narin, board chairman of the Turkish Confederation of Employer Unions (TISK), puts it this way:

"It is necessary to think of Sumer Bank both within the SEE [State Economic Enterprise] idea and also principally as a balanced enterprise initiated by Ataturk himself. It is necessary to think of what it has done to date and its present status as two separate things. Sumer Bank successfully met the needs of both the people of the newly established Turkey and of our army in those troubled times and, with the factories it purchased and quickly built, performed the functions expected of it under the circumstances of that time.

"However, Turkey has today reached a point not to be underrated. The state, of course, must take the lead in laying the foundations of industry in the start-up phase and in developing countries. Nothing is as natural as its performing this function in heavy industry and a number of other important sectors. The same cannot be said, however, for a garment industry. There are certain other areas also, but the garment industry offers the most obvious examples. Their insistence on the status quo is tantamount to a repudiation of the functions of the world markets, the workings of the free market.

"The state established Sumer Bank for an ideal, but today Sumer Bank and the private sector have been placed in competition. Isn't the private sector [the concern] of the state, then? In the past, moreover, this institution has unfortunately been managed for political ends, allowing infringement of an attitude adverse to market realities.

"To sum up, if I may, Sumer Bank has lost the function it had at the time of its inception. The nation has now reached the point to perform itself the function Sumer Bank had 50 years ago. There must be many other services for a deeply-rooted institution such as Sumer Bank to perform. I believe this needs to be given serious consideration."

#### Views

We discussed Sumer Bank "yesterday" and "today" with Bedrettin Ozdemir, president of the association of machine-made carpet manufacturers, who stressed the impossibility of denying the services this institution has long provided starting from the time it was established 50 years ago and said:

"There are great, positive differences between the conditions of Turkey 1933 and Turkey 1983. If this is true, it is futile to want Sumer Bank to retain exactly its function of that time. It is bad for the state. If there had been a private sector strong enough to create a Sumer Bank 50 years ago, Ataturk would not have felt the need for such an institution or would have designated the areas of operation of such an institution in a very different manner. There are quite a few institutions today performing the functions of Sumer Bank. It is somehow comical to have the state making pajamas. It ought to have grander things to do. Everybody can stitch up a pair of pajamas today, or go shopping for them and buy them. There was a sense of need for this sort of thing 50 years ago perhaps, but not today. This fact cannot be ignored.

"The state builds roads today, but the day will come tomorrow when the private sector will be building roads. Then the state will be relieved of this burden. In this way, the state can devote itself without distraction to more serious and productive matters.

"Accordingly, Sumer Bank ought now to incorporate the businesses that are unnecessarily in competition with the private sector and sell shares in them. You can be sure the public would be interested in this."

While certain other businessmen whom we interviewed indicated that they shared this view, former Sumer Bank general manager Celalettin Ozgen said he, too, "shared these dieas in general."

#### Conclusion

This is the picture which emerges from a look at the establishment, development, growth and present status of Sumer Bank:

--Sumer Bank was appropriate for its time.

--It has met the needs of a citizenry and an army with scarce resources since 1933.

--In addition to being the locomotive of Turkish industry, it has served also as its "school," placing at the service of the private sector numerous personnel trained under its roof.

--It had taken on the function of both state and private sector in an era when foreign capital could not be brought into the country and the private sector had very limited resources.

--Allowing Sumer Bank to be an element of competition in areas where the private sector can proceed successfully is an erroneous attitude on the part of the state and is also inefficient under free market conditions.

--Sumer Bank ought to reorganize internally to change its form of operations and ought to shift the investments it makes to more serious and productive areas.

#### Exports of Sumer Bank Products

Product	Country	Unit	1982 Figures *
Cotton yarn	Iran, Austria, Belgium, West Germany, Switzerland (Yugoslavia, Cyprus)	Tons	3.901.0
Unbleached cloth	Italy, West Germany, Greece, Cyprus, France	Linear Meters	136.0
Calico	Iran, France, Italy (Greece, Cyprus, Belgium, Iraq)	Linear Meters	10.986.3

\* [Precise denomination of figures not provided]

Product	Country	Unit	1982 Figures
Finished Cloth	West Germany, Iran, Italy, Switzerland, Cyprus (Greece, Britain, Jordan)	Linear Meters	9.199.3
Cotton Fashions	West Germany, Greece, Switzerland, Italy (Belgium, France, Britain)	Items	1.749.6
Ceramic tile, glazed tile	Saudi Arabia (Egypt, West Germany, Cyprus)	Square Meters	55.738.0
Valeks	Bulgaria (Hungary, U.S., Italy)	Tons	220.0
Porcelain, china	Saudi Arabia (Cyprus, U.S., Switzerland)	Items	10.677

While Turkey's total textile exports for 1982 reached \$1.5 billion, Sumer Bank had a \$29.9 million share of these exports. Sumer Bank earned a total of \$29.9 million in foreign exchange in 1982 from exports of cotton yarn, unbleached cloth, calico, finished cloth, cotton fashions, ceramic and glazed tiles, Valeks, porcelain and china, bed linens, rugs, wool yarn and stuffing material, while Turkey earned a total of \$204 million from the export of cotton fashions (men's and women's) alone.

8349

CSO: 3554/394



## DOGAN INTERPRETS BUSINESS' APPROACH TO POLITICAL PARTIES

Istanbul CUMHURIYET in Turkish 9 Aug 83 p 9

[Commentary by Yalcin Dogan: "The Business Circles' View of the Parties"]

[Text] Apart from a very small group of employers, the overwhelming majority of capital owners view approvingly the timetable of transition to democracy. In other words, the number of businessmen who want "a parliamentary democracy in Turkey" is very high.

Given this inclination, the businessmen undoubtedly view the newly formed political parties with sympathy. They may find some parties more likable than others; that is a different matter. But since an overwhelming majority is fundamentally in favor of a democratic government, the businessmen have a "more liberal approach" toward parties today than before. In fact, perhaps it is this difference in approach that has led to certain differences in the dealings of business circles with political parties. In the past, the basic mode of dealing with parties was "using or not using them" or abandoning those having difficulties to their fate. Today, business circles are using their influence to help the organization of parties. Some groups want certain parties to have a "better chance" at the elections.

Even so, it is hard to conclude that the business circles, as a whole, "sincerely support" one or the other party. It is clear that business circles are involved in a search among the parties that have been formed or are in the process of formation. This can be characterized as a search for a balance. Differences of approach among business circles to political and economic issues are reflected by the political parties. How are these differences of approach reflected by the parties and by which ones? There is no clarity on this issue. New sources of support may emerge in the future. A given employers' group may feel closer to a given political party. It may conclude that its views are more strongly reflected by that party. However, at this point in time it is hard to talk about such clear-cut characterizations. Furthermore, the views of a given employers' group may not necessarily be reflected by a single party; they may be reflected by a number of parties concurrently.

Although nothing is definite at this point in time, interesting attitudes are being observed among business circles. For example, it appears that there are not too many employers who openly support the Nationalist Democracy Party [MDP]. It is possible that there are some covert MDP supporters. However, the number

of businessmen who have moved away from the MDP circle for various reasons is not small. The least that can be said is that, compared to one or two months ago, today it has become harder to find a businessman who will openly say "I am an MDP supporter."

The same thing cannot be said for Turgut Ozal's Motherland Party. The number of businessmen who openly support Ozal has been growing by the day. One employer group sees Ozal as a "liberal." One Istanbul firm which has been conducting Turkey's largest contracting services abroad says: "Ozal comes before any party." Businessmen from Izmir and Central Anatolia must also be included in this group. Major businessmen in Istanbul and Adana "are still waiting." What is interesting here is that these businessmen too have not thrown their weight on the side of the MDP.

The Social Democracy Party [SODEP], the Populist Party [HP] and the Correct Way Party [DYP] for the moment appear to be "orphans." There will be businessmen who will support these parties. But since SODEP and the DYP have not yet completed their list of 30 founders, it can be said that there is an attitude of waiting toward these two parties. It is virtually certain that as soon as the 30 founding members of the DYP are approved by the National Security Council artisans, small businessmen and medium-size employers in Anatolia will declare their support for that party. The extent of support for the HP will probably be determined by the legal status of SODEP. In other words, the issue of whether SODEP's 30 founding members are approved or not will determine the amount of support the HP will get.

The points we have covered are not definitive results; they only constitute a general evaluation of the way business circles view the political parties today. This evaluation can be expected to become more definitive as the elections draw nearer. Nevertheless, two points must be emphasized: Firstly, the way the business circles view the parties may play a key role in the extent and the circumstances of the development of the new parties; and secondly, as TUSIAD [Turkish Industrialists' and Businessmen's Association] Chairman Ali Kocman said, there exists a belief to the effect that today democracy "needs criticism from the left."

9588  
CSO: 3554/403

## ACADEMIC ON SET UP, OPERATION OF FREE ZONES

Istanbul MILLIYET in Turkish 22 Jul 83 p 2

[Article by Professor Cafer Unay, faculty member Uludag University:  
"Establishing Free Zones"]

[Text] "Free zones," which have yet to be established and put into operation in Turkey despite half a century of efforts, have been the subject of debates in recent months and significant progress has been achieved.

A package has been prepared and submitted to the government in connection with the free zones under consideration for Iskenderun, Yumurtalik, Antalya and Izmir-Aliaga. In other words, the subject is on the government's agenda. Official sources claim that the package will be finalized and implemented in the near future.

Three different types of zones are known to be under consideration: (1) free zones for Turkish contractors working abroad; (2) free zones that would be ports of free transit; (3) free production zones. Turkish contractors working in the Middle East would benefit from the first type of zones. They could keep the machinery and tools they need for jobs in the Mideast in these zones without having to send them home. They would also be able to gain time when evaluating prospective new contracts. Foreign and domestic capital, either jointly or separately, would benefit from the second type of free zones--i.e. free ports of transit. A number of goods would be stocked at these ports at prices to be determined and then sent either into Turkey or to neighboring countries. The third type, free zones geared toward production, would enable local and foreign businessmen to produce the goods they want in these zones and then sell them to foreign countries.

According to information sources, the first and second types of free zones will begin operating in the near future. While it is argued that the third type will take a long time to go into effect, the Minister of State responds to such arguments by

saying, "I am hoping that all of the infrastructural facilities for this will be completed within a year."

#### Operation Of The Free Zones

Until now, arguments have focused largely upon the potential advantages and disadvantages of the free zones. The question currently facing us is how to operate these zones on the basis of rational principles. In his work entitled "Free Zones in Turkey and the World," Selahattin Tuncer says, "Free zones are operated by independent organizations in accordance with the rules of trade." The services performed by these independent organizations fall into the category of public service. This is why the organization that will be operating a free zone is so important.

Article 5 of the Free Zone Law (21 Dec 53 #6209) reads as follows: "Free zones can be operated by the government itself, or the task can be relegated (a) to official organizations acting either directly or with state participation, or (b) to proper or legal individuals."

Thus, the free zones may be operated in one of three ways: by the government, by an organization in which the government and the private sector each have a share of the capital, or through contract by a private sector firm. The government will be the one to decide which of the alternatives to choose, but rumor has it that the decision weighs in favor of the private sector. Then again, at a seminar held in Mersin, emphasis was placed upon having a composite organization something like the State Economic Enterprises as the best possible way of operating the free zones. Also, in the case of Cyprus, there has been no provision for giving the free zones over to private firms.

As far as overseeing the free zones is concerned, this task is to fall to the Prime Minister's office or to one of the Ministries. It is up to the government to decide upon this too. If the free zones are not well-controlled, results could be contrary to what is anticipated. Control must be constructive, regulatory and organizational. Such control falls into three categories: administrative, technical, and budgetary.

#### Conclusion

Turkey has managed to regain economic and political stability to a large extent, and it has covered a lot of distance relative to the establishment of free zones that would help it open itself to the East and even to the West. Currently, the main problem lies in determining how to organize these zones on the basis of rational principles and with a view to reality in Turkey today.

Since the Council of Ministers is not going to be able to work on the technical details, the initial decision to be made on these matters is going to be a significant factor impacting heavily upon future efforts and the outcome of such efforts.

12279

CSO: 3554/379

## PAPANDREOU'S CYPRIOT POLICY SEEN 'AMATEURISH'

Nicosia I SIMERINI in Greek 6 Aug 83 p 1

[Excerpts] Mr. Papandreou is unquestionably a clever politician. But this cleverness on the chapter "Cyprus issue and Cyprus" has been tested...and has earned a low grade. We will refer to the way in which he created the crisis with Nicosia, the reason being the Popular Front's Minimum Program.

Everyone will remember that his representative at that time publicly charged that Mr. Kyprianou was undermining Athens' policy with the Minimum Program. Everyone will recall that Athens' policy was to discontinue the fruitless talks until the Turkish troops left. After a series of tragi-comic meetings between Kyprianou and Papandreou, things ended in "absolute accord." First Kyprianou was not accepted in Athens. Then he was coldly received, later warmly...and finally he was pompously received like a little Roman emperor. He went from being stigmatized to being decorated!

This maneuvering on the part of the Greek prime minister was not analogous to his name, position and intelligence. It was analogous to his seasonal petty politics. Because not only did Mr. Kyprianou warmly embrace him later, he warmly embraced his policy. Not only this. On 4 August, he came out with a new superficial statement, saying, "The strategy which the Greek Government is following at present is absolutely in agreement with the strategy which President Kyprianou has developed with his collaborators."

What strategy is Mr. Papandreou talking about? Where does he see the strategy developed by President Kyprianou, with which "he is absolutely in agreement?" And which collaborators of the president is he talking about? The president has one collaborator. Not a collaborator, a partner. And not simply a partner, a controlling partner. This is the AKEL leadership.

It is with sincere sorrow that these discouraging events are imprinted. The Greek prime minister unfortunately speaks like an amateur on the Cyprus issue. He was able to say before the elections that he would pull Greece out of the EEC and NATO, that he would eliminate the U.S. bases. And now he can preside over the EEC, go more deeply into NATO and safeguard the U.S. bases.... These things happen in politics. But the Cyprus affair is a tragedy and a Sacred National Matter. Tragic jokes like this business of the strategy which Cyprus decides are not allowable. Everyone else can tell such tragic jokes, but not the Greek prime minister.

9247

CSO: 3521/419

## KYPRIANOU REPORTEDLY TAKES WESTERN TURN

Nicosia I SIMERINI in Greek 8 Aug 83 pp 1,12

[Text] The reshuffling of the Kyprianou government will occur. But it will depend on political and diplomatic developments in the Cyprus issue, party expediencies, and the outcome of the intensifying DIKO [Democratic Party]-AKEL dispute.

This is reported by I SIMERINI's corroborating pieces of information from informed sources from the government and Mr. Kyprianou's entourage. According to the same information, Mr. Kyprianou has already decided to proceed to a reshuffling of his government since this is necessitated by developments concerning the Cyprus issue, but also because the reshuffling will be a test for his relations with AKEL.

Mr. Kyprianou considers two times appropriate for going ahead with a reshuffling of his government: First, after his return from the United States, and after the UN General Assembly address on the Cyprus issue. As is already known, Mr. Kyprianou will be in the United States around the end of September. And second, around the spring of 1984.

## DIKO-AKEL Relations

According to estimates of circles in the president's entourage and Mr. Kyprianou's close colleagues, the definite time for the reshuffling will be decided and selected by the result of the noted crisis in DIKO-AKEL relations which are even now passing through a critical period.

According to the same estimates, the president will attempt to use the political act of reshuffling to free himself from AKEL's embrace and to present himself as more autonomous politically.

According to I SIMERINI's information, AKEL is ready to wage a real "battle" for four ministers who are on friendly terms with the party. The four ministers are: Minister of Labor Papageorgiou; Minister of Finance Vasileiou; Minister of Justice F. Kliridis and Minister of Commerce Andreou. According to I SIMERINI's information, Mr. Andreou in particular has promised the AKEL leadership that he will work for obstacles to be introduced to association with the EEC; and to further develop bilateral relations, a position which AKEL supports and reiterates constantly.

Turn to the West

Mr. Kyprianou, at any rate, is determined to keep at least three ministers--Rolan-  
dis, Veniamin and Mikhailidis--in their positions. In the meantime, there is  
information that Minister of Communications Mavrellis is thinking of resigning.

Finally, according to the same information, the reshuffling is connected: First, to  
Mr. Kyprianou and Papandreou's joint policy for a greater turn to the West; and  
second, to enlarging DIKO, which will attempt to persuade its adherents and third  
parties that it will neither be, nor appear to be, a prisoner of AKEL.

9247

CSO: 3521/419



## KKE PROTESTS 'THREE-PRONGED' POLITICAL ATTACK

Athens RIZOSPASTIS in Greek 4 Aug 83 p 3

/Excerpts/ The incidents are accumulating. First, we had the theory of the KKE "three-dimensional" policy on the bases. We recall: As soon as comrade Florakis was informed by the premier about the bases' agreement he said, in part, that this agreement can be ratified only in a referendum, not by a majority, in the Chamber of Deputies. Later, on the basis of newer information, a communication of the KKE Politbureau analyzed the character of the agreement without repeating the view on the referendum, which had already been stated. Immediately, in fact, with government encouragement, the story blossomed--that "the Politbureau disagrees with the secretary general /Florakis/." Goal: To shift the discussion from the essence of the issue and the criticism of the agreement to a scandal-mongering gossip.

Second incident: While the US and the Right have officially set the policy of "no criticism on the agreement for the bases," the criticism by KKE continues and annoys. Solution: A newspaper without prestige regurgitates an already published "report" (a year ago) that presumably Florakis supports amnesty for the juntists. A new wave of scandal-mongering stupidities inundates the rightist (mainly) press. "Florakis is vulnerable." The target is always the same. To shift the concern of public opinion from the critical problems of political life to the mythology of gossip. The "refrain" is also the same: A personal attack on the KKE secretary general.

Third incident: The information about the meeting of the KKE Central Committee Plenum is leaked to one section of the press by secret services, dressed as a real novel of political fantasy in which...groups of "opponents" are clashing behind the scenes while the secretary general is asking for... "a vote of confidence."

Three incidents within three weeks, with exactly the same characteristics, show that this is not a coincidence. Applying the classic principle of Goebels and (since then) that of imperialist propaganda--"the repetition of a lie makes it appear like truth"--certain centers have staged an attack against KKE with its secretary general as the specific target.

The KKE Central Committee Plenum charges: This attack was being prepared for some time now by various political centers and secret services which use the

familiar anti-communist daily and periodical press for this purpose. The major cause of this attack is the increasing strength and unity of KKE and its bold stand against the agreement on the bases. This attack is designed to cause confusion in the people, to discourage the unifying developments among the fighters and supporters of the Change, and to raise obstacles to the people's common struggle for the Change.

What particularly worries the reaction and the Americans is the constantly growing appeal of the KKE theses and its policy for unity, which poses serious difficulties to their plans to push the policies of the government toward more conservative orientation and to establish in the political life of our country the two-party game in the context of the regime of dependence and supremacy of the monopolies.

This attack is another side of the effort to disorient and corrupt our political life, turning it toward fierce clashes between PASOK and the Right --clashes without content, empty, obsessed with the past, unrelated to the country's real problems. A major illustration: the manner and the style of the interaction on the agreement for the bases--there simply was no confrontation between the government and the Right on the bases. The confrontation focused on the speeches of Menios /Koutso Giorgas/ in the Chamber of Deputies.

An indispensable, therefore, addition to this corruption of the political dialogue is the focus of the criticism on KKE, the smearing of the party's image, the effort to cause cracks in the confidence on KKE, a confidence increasingly shown by more and more workers. The method chosen, not new at that, is the method of ulterior "reports" and personal attacks.

The KKE Central Committee underlines: "There is every indication that the attack on KKE is in progress and will continue."

Confused, embarrassed, inept, but also stubborn, the sirens of the anti-KKE attack continue the same song with the same characteristics and the same targets. Personal attacks, fables and gossip, slander and above all an effort to ignore the essence. Not a word for the content of the KKE critical views. Not a line for the real problems that preoccupy public opinion. The choice is clear. Public opinion must forget these problems and the real positions taken on them by the political parties. And it must be led toward a scandal-mongering disorientation.

It is not only KKE that notes how dangerous this choice is. Democratic personalities, responsible and honest journalists, political personalities, express their concern for this dangerous corruption of the political dialogue. Fortunately, there are still responsible voices which resist this avalanche of slander, even in the press. These persons cannot but note the insistence of KKE in promoting a calm, specific, constructive political dialogue.

7520  
CS0: 3521/412

## PASOK, KKE SEEN AIMING AT ND ISOLATION

Athens EPIKAIRA in Greek No 783, 4 Aug 83 p 13

/Text/ Those who had forecast that the signing of the Greek-American agreement on the bases would lead inevitably to a final break in the relations between the government and KKE now start to revise their views. Moreover, there are now reservations being expressed as to whether the tolerant stand of KKE was formulated following "newer" instructions from Moscow. It is more probable that both in the Soviet Union and in the KKE leadership the view prevailed that the undisturbed--as much as possible--stay of the PASOK government in power serves the goals of Soviet foreign policy internationally and moves forward KKE's objectives domestically.

Those who make these assessments are not impressed, of course, by the "war of words" that is raging between KKE and PASOK. Instead they consider this a way to affirm their views, noting that precisely this war of words is designed to cover up the reluctance of these two parties to come to a genuine clash that could be very severe and which would have immediate consequences on the two opponents.

## 'Controlled Slackening'

The mutual recriminations and threats are designed simply to achieve a controlled slackening of the negative reactions that appeared in the area of the Left immediately after the initialing of the bases' agreement. PASOK, on the one side, is trying to cut down as much as possible its electoral losses on its left wing while KKE is content with the "hoped for" political benefits.

There seem to be many reasons behind the KKE stand. First, KKE is afraid of political isolation in the event it breaks with PASOK. By way of illustration we may recall an article in RISOSPASTIS which expressed KKE's resentment for the government's attacks, while it made this point: "Both the speeches of Averof and other ND leaders, as well as the articles of the rightist press, reveal a clear effort to push PASOK to an open clash with KKE. This is regarded by the Right to be a decisive development for the weakening of the people's intervention in the political life, in the context of a broader effort to bring to bankruptcy the idea of the Change and the removal of the regime of American domination."

## The New KKE Line

The above quotation is regarded as a new "political line" to adjust KKE's stand. KKE not only does not regard the signing of the Greek-American agreement as a sufficient cause "for an open clash" with the government, but attributed such a possibility to the machinations of the Right, designed to lead to "the bankruptcy of the Change."

A possible political isolation of KKE would result in the collapse of its plans to play a controlling role in the next election. This remains a primary objective of KKE and to realize it, KKE is prepared to make many concessions toward PASOK. (The "self-restraint" KKE showed on the implementation of Article 4 on strikes in public agencies, is regarded as equally indicative of this tactic.)

## The Stand of PASOK

The question is whether PASOK understands and whether it is prepared to act against KKE's designs. Up to this point the government's annoyance relates mainly to the electoral damage that may be caused by even a moderate exploitation by the extreme Left on the question of the bases. The PASOK non-Marxist cadres hope their party will retain its parliamentary majority in the next election even if it is necessary to have an electoral law cut to PASOK's measure. It is indicative that the attacks against PASOK were led by non-Marxists headed by M. Koutsogiorgas who is considered as the "most fanatic anti-communist" in the government.

The same wing believes that the most effective tactic for PASOK, under the circumstances, is a "two-front struggle."

By contrast, the Marxist cadres of PASOK did not take part in these attacks, apparently believing that a break with KKE does not serve PASOK's short- and long-term interests. This wing of PASOK, which continues to be the stronger one, considers as natural the increase or decrease in the electoral strength of the two "brotherly" parties /KKE and PASOK/ depending on the course or the vacillations of the Change. More importantly /this wing/ does not rule out a future cooperation between the two parties to stay in power, whether such cooperation is limited to a policy of tolerance on the part of KKE or it extends to participation in the government.

## Single-Front Struggle

In other words, on one side we have those who support a "two-front struggle" and on the other those who favor a single-front struggle against the Right. The common point where the two groups meet is the opposition to any rapprochement between PASOK and ND. While cooperation with KKE is not ruled out, whether indirect in the form of taking votes from KKE in a two-round electoral system, or direct in the form of cooperation with the government.

The dominating element in the policy of PASOK which, of course, is favored by KKE, is the effort to isolate the Right as a prerequisite for staying in power. This objective apparently will be pursued by every means. For instance, it is not considered accidental that the Florakis interview in a newspaper of the extreme Right gave rise to rumors that both PASOK and KKE have no objection to granting amnesty to the protagonists of the dictatorship of April 21. The emergence of a party of the extreme Right serves at this moment more than anything else the objective of weakening the ND Party and bringing together the Left.

7520

CS0: 3521/412

## ND'S COLLECTIVE LEADERSHIP VERSUS PAPANDREOU'S 'UNIQUENESS'

Athens | KATHIMERINI in Greek 12 Aug 83 p 4

/Text7 At this stage when a party is beginning to decay before it has time to mature to the great sorrow of those who have not become partisan, the responsibilities of the opposing camp, regardless of its title now or the title it will invent tomorrow, are very heavy. The reason is simple. PASOK proved it is not a party of principle as it had itself declared. The iron discipline its leader has imposed allows no utopian expectations about its future. He is alone, the undisputed leader, the gifted leader, but always alone. Unique, irreplaceable.

By contrast, the opposition, for the first time, is in a position to field what Papandreou declared--promised but did not deliver--namely, a dynamic, multi-dimensional, flexible, able, and experienced leadership. The many and capable against the one. The organized opposition against the unorganized, amateurish government. The experienced against the inexperienced. The in-depth knowledge against the amateurism. The tried methodology against the experimentation.

But the opposition has a weakness. It does not convince anyone that it can attract those who are drawn only by the security of power with an instinct of self-preservation. And while it is clear that PASOK, for economic reasons to avoid the damage of political displeasure in 1985, will hold elections in 1984, the opposition does not move. It becomes angry after the fact, and criticizes PASOK for certain activities, but with a weak voice. Papandreou's faithful followers, however, know their leader had proclaimed those activities word for word in advance and that he now tries to implement them all at once when he can, or drop by drop when he finds obstacles. They are not convinced by the forecasts and the negative comments of the opposition because they see no inconsistency.

There are more dissatisfied people in PASOK than in the New Democracy. There are people who believe that at a certain moment more will be added to the small number who have left PASOK so far with painful consequences for the governing party.

By contrast, in spite of differences of opinion, there is no possibility of a serious loss of members. In the past, fears were expressed that Mitsotakis

might leave, but he is not going to leave the party he serves and to which he belongs. Like many others he believes in the cooperation and unity of all forces because that is the only way to have a decisive course in our political life after the rearrangements imposed by PASOK.

Unfortunately, precious time is being lost. While the ND forces are in a position to face up to PASOK they do not do it, dynamically or impressively, as required by the circumstances as the followers expect.

For instance, no one asked with what criteria and with what planning the government will procure the new American aircraft whose cost will reach approximately 5 billion drachmas. Why did we not ask for electronics equipment ("command and control") to coordinate our forces like the Americans, instead of asking for such a large number of planes? Why did we not insist that they sell us radar aircraft so we can become masters of our own intelligence system? Why did no one ask PASOK if the negotiations took place at a government level or if there would be any middlemen with legitimate commissions?

There is still time to ask the government if the military materiel the US is selling us will include Corsair aircraft which the Turks do not have. They are the terror of the Turkish general staff because they are capable of flying beyond Ankara and hit its air defenses with a load of 23 bombs each, while the other modern planes can carry only one bomb. This illustration is mentioned without going into details which belong to other columns.

This is more or less the current political picture in view of developments to follow. Those who gave the victory to PASOK see the one /Papandréou/ without a strong group, to stagger economically, to fail in his planning, to make false predictions, and to resort to old but tried methods timidly and carelessly. But should the voter ask: "Why did I vote for you," he must receive the answer by the many, the united. In other words, by the able, tried, collective leadership which will be sought tomorrow by the non-partisan voter who almost always gives the victory, because he will feel the personal need and the group search to seek the security of power; to secure the immediate future which has started to worry him for some time now.

7520  
CSO: 3521/413

POLITICAL

GREECE

REPORTED CURTAILMENT OF KAPSIS RESPONSIBILITY DENIED

Athens ETHNOS in Greek 3 Aug 83 p 2

/Text/ Government spokesman D. Maroudas denied as "absolutely groundless and untrue" yesterday's report in MESIMVRINI under the headline, "Taking Away Kapsis' Responsibilities."

He added that the report is "untrue in form and substance" because "Kapsis continues to be in charge of transfers of Foreign Ministry employees up to the level of Councillor A and director, as he has been since the distribution of responsibilities in the ministry. Second, there is no document as the one mentioned in the report. Third, the allusion about the negotiations for the bases is not true--the premier himself at the Ministerial Council has praised the role played by Kapsis in the negotiations."

In the front-page report MESIMVRINI wrote: With a communication signed by A. Livanis, the director of the premier's political office, "all the responsibilities of the deputy foreign minister on personnel questions are revoked." This is a "deadly blow against the hyperactive Kapsis. Was this Kapsis' reward for the 'nationally proud' agreement he forced on Bartholemew."

7520  
CS0:3521/412



## SUGGESTION TO POLITICIZE ARMED FORCES REPORTED

Athens 1 VRADYNI in Greek 3 Aug 83 p 1

/Editorial/ We reached the point where we had to take into account the presence of Vaso /Papandreou/ and that what Vaso suggests does not go unheeded. All Greece knows that the notorious law of socialization, which cunningly concealed the restrictions on strikes, is the work of this lady who is in charge of the Handicrafts Organization. This lady proposed to the recent session of the PASOK Central Committee that faithful followers of PASOK be placed in the Armed Forces.

PASOK has not concealed its intention to place under party control the Armed Forces, as it did already with all other organs and organizations of public life. The penetration of the Army is pursued with caution. The governing party realizes the difficulties of this endeavor and is forced to take into account the existence of vigilance by the president for preserving the neutrality of the Armed Forces.

So far there have been many illustrations of PASOK's efforts to penetrate systematically the Armed Forces in spite of the biological, we might say, reaction and rejection of foreign bodies by the Armed Forces themselves. It is difficult to justify promotion of officers, such as those recently in the Air Force, when excellent officers were removed for partisan reasons; charges by high-ranking officers for partisan favoritism which poisons national unity; masked soldiers taking part in demonstrations calling for syndicalist organizations in the Armed Forces; stealing of military equipment including missiles; a body of praetorians formed in the Air Force ostensibly for the reception of officials--all these testify to the naive effort of PASOK to impose the party on the Armed Forces.

There is no question that the military is free to have its own political convictions. The military consists of Greek citizens. As citizens it is not unpatriotic to belong to a political party, but it is unpatriotic to inject the party into the Armed Forces. The duty of the military is to obey the orders of the civilian government. The only duty of the military is to protect the nation. There is no question that the Greek Armed Forces know their duty. Under no circumstances will they succumb to the party or tolerate the party's legitimacy inside the Armed Forces, nor is it possible to believe in the propaganda of the governing party.

They know that PASOK, unable to impose its leftist views on the Greek people, dressed those views in a patriotic garb with nationalist extremism and populist hysteria. But it did not convince the Greek officers about its intentions. The injection of the party into the Armed Forces and its entanglement into the political and social disputes is tantamount to national treason. We do not expect Vaso to understand how criminal is her suggestion, nor the very few senior officers, counted on the fingers of one hand, who ceased to praise the dictatorship of April 21 and now find that the color of Greek hope is green. People, the Army and the sound-thinking opposition are vigilant for the sake of Greece.

P.S. The government spokesman stated that the information about Madame Vaso's proposal is untrue. If we were to take into account that the Maroudas denials are a direct or indirect affirmation of the report being denied, we are regrettably obliged to insist on the accuracy of our information. If it proves to be false in the end, as we want to believe, our commentary will have accomplished its national and political mission.

7520  
CS0: 3521/412

## BIRAND NOTES BUREAUCRAT CONCERN, FOREIGN MINISTRY DUTIES

Istanbul MILLIYET in Turkish 11 Aug 83 p 7

["Corner" column by M. Ali Birand: "The Duty of the Foreign Ministry"]

[Text] Turkey is entering a vitally important period. The parties have been established, they have held their meetings and they are in the organizational stage. Soon, the election campaign will begin.

The election campaign means that an already introverted Turkey will become even more so. This has always been the case and it will not change in the future. Furthermore, this is something very natural. Everyone's attention will be drawn to who says what, who may get how many votes and who will pursue what policies.

In an environment like this, it would not be realistic to dissociate bureaucracy from the rest of the society and to say, "politics may have been revived but the bureaucrat must do his work as before." The bureaucrat is also human like us and will follow the developments with interest like everyone else.

Besides, the government that will come to power is even more important for the bureaucrat. Since the individuals who take over the government may decide the rise and sometimes the fall of the bureaucrat, generally work is left unattended and the results of the elections are awaited.

Even today, we are probably all aware of the slowdown in bureaucracy, which is highly normal.

However, the world continues to turn, and it does so presaging very important developments. While foreign developments continue to take place in full swing, decisions are being taken and policies are being formulated in many capitals in connection with economic as well as political developments.

The situation seems to be particularly grave in the region around Turkey.

In the Middle East, new sources of tension are emerging which may not only give rise to a new Arab-Israeli confrontation, but also plunge Turkey into the conflict. As East-West relations continue to harden, the Middle East is once again emerging as the most likely area of confrontation.

Our relations with the EEC portend political results that go beyond economic conflicts.

Tensions are rising in Turkey's relations with the Council of Europe--and hence Europe--and will apparently rise even more in the coming months despite the elections.

The positive developments in our economy are slowly tending to remain on paper. Although foreign media continue to talk about the health of the Turkish economy the number of observers who see the start of a stagnation period is on the rise.

As if these problems were not enough, everyone has put his work aside and has stopped performing his proper functions in an effort to form a party and to come to power to save Turkey.

Thus, at a time when foreign perils are on the rise and when the attention of the public is drawn to other matters, the Ministry of Foreign Affairs has a more important function to perform than at any other time.

Despite all its shortcomings, the Foreign Ministry is one of the best-staffed ministries in the Turkish bureaucracy. This ministry is also Turkey's eye, ear and tongue.

At a time like this when we are so introverted and when we do not see anything except our own problems, our diplomats must be more sensitive than before. If they too leave their work aside to take part in the election campaign, if they too shelve all files and start speculating about who will win, if they too fail to report developments because nobody is interested and, finally, if they too disregard organizational work in Ankara, then we can encounter insurmountable problems in the future.

At other times, beside the Foreign Ministry, the press would also inform the public--though inadequately and sometimes falsely--about foreign developments. However, in the coming period, the press will also have to cover domestic affairs only.

Consequently, Turkey may remain without eyes, ears and speech.

Such situations have been frequently encountered in the past. Developments that emerged slowly in the everyday excitement were disregarded, and the state of affairs that was found after the chaos was over was never very pleasant.

The holiday period and then the election process must not reduce the importance of current events. Because no development will wait for the elections. We may feel very sorry if it is too late.

9588  
CSO: 3554/402

## EREL ON MDP MANEUVERS FOR UPCOMING ELECTIONS

Istanbul MILLIYET in Turkish 11 Aug 83 p 6

["Telex" column by Teoman Erel: "Infiltration into MDP"]

[Text] The MDP [Nationalist Democracy Party] does not want the Correct Way Party [DYP] to enter the elections. They want the same thing for even the Motherland Party so that the MDP can win the votes of the right and the center and can thus be elected to power alone.

Appeals made to the public have also been in this direction. MDP leader Turgut Sunalp and the party's "heavy artillery piece" Kamran Inan recently intensified their calls for the unification of the right under their party.

Let us for a moment leave aside the issue of whether such desires are in conformity with democratic rivalry and let us look at another contradiction we have observed and we resent in MDP circles.

Why are those calling upon the right to unite under their organization concerned about certain politicians who have responded to their calls and have joined their party at the top and and the bottom? Why are they so emphatic--before even the elections have been held--about certain theoretical eventualities in connection with the party's first great congress that will be held after the elections?

Is it not strange to see the possibility of the forces whose support is desired to ensure majority in the parliament taking control of the party's administrative organs at the congress to be held as "a threat that should be eliminated right now" instead of looking at it as one of the natural results of the democratic process?

Frankly, we were surprised to hear about these possibilities and the measures to preclude them from MDP members themselves.

An acquaintance of mine from the MDP who has been successful in having his colleagues set up the party organization in the province where he will stand election whispered in my ear:

"Do not be surprised if former deputies do not stand as candidates."

"Even those in your party?"

"Of course. Most of them are in our party. They may be vetoed after the candidate lists are finalized. They may even not be included in the candidate lists."

As the conversation proceeded it became clear that there is a widespread belief amongst MDP circles that Kamran Inan, who fought for the leadership of a dissolved party in the past, may make a serious attempt to take over the leadership of the MDP at the first congress. The politician from the MDP said:

"Inan is already strong in the East. If the deputies who opposed the leader of the party Inan was formerly associated with secure a strong position within our party and unite under the leadership of Inan, the party's leadership will change at the first congress."

As the conversation got deeper, interesting details began to emerge. The fact that Inan had given a long speech with the attitude of a leader during the ceremony of his joining the party and the fact that he dwelled on "democracy" for too long during that speech had attracted attention. It was felt that certain MDP leaders watching this situation were not trying to hide their concerned gestures.

The concerns of the upper echelons of the MDP administration goes beyond the competition offered by the DYP--which is still waiting for the completion of its founders' list that is necessary for taking part in the elections--and [Motherland Party leader] Turgut Ozal and involves the politicians who were members of the former leading party of the right--which appears to be in disarray today--and who opposed the former leader of that party.

But is that all? Can it be said that there is no concern over the infiltration [into the MDP] of those who sympathize with the DYP?

There is a widespread belief in the political backstage that persons who may join the DYP in case it is approved have already set up organizations in provinces and districts where the MDP has had difficulty in organizing.

Certain well-informed individuals take this charge even further and say:

"The DYP will continue its efforts to develop itself even if it is not allowed to take part in the general elections and will prepare itself for the first local elections. But preparations are also being made for other possibilities. Groups with close links to the DYP are getting the green light from that party whenever they propose and ask for permission to set up organizations within the MDP."

Let us remind you that these are rumors and should be taken cautiously. However, we lived through certain events in our immediate history. In 1961, the ascendancy of Gumuspala in the Gumuspala-Alican rivalry did not result from the closeness of Ekrem Alican to 27 May and his failure to establish a warm rapport with the masses alone. The skillful group of people around Gumuspala undermined the YTP [New Turkey Party]. As the dominance of the rival party grew within the YTP organization, more and more YTP assembly deputies defected to other parties. Seeing that the base of his party was shifting elsewhere, the politician was also forced to go where the base was going in order to survive.

If the MDP wants to unite the right and to enter the elections as a single organization, it must also be prepared to incorporate within itself the confusing and a little "undesirable" possibilities which we discussed above and which should be considered "democratic" if each political trend cannot enter the elections as a separate party.

However, it is a different matter if MDP leaders want to look at the civilian forces whose support they are seeking as: "Let us come to power with their support, but let us never allow them to take control of the administration of the party." In that case, the premature and exaggerated concerns in connection with the party congress to be held after the elections may cause problems even before the elections.

9588

CSO: 3554/401

## OVERVIEW OF PARTY ORGANIZATIONAL EFFORTS, FOUNDERS VETOED

Istanbul CUMHURİYET in Turkish 22 Jul 83 p 7

[Text] As far as party organizational efforts are concerned, Social Democracy Party (SODEP) Chairman Ahmet Durakoglu says that his party is moving ahead rapidly and will soon be organized in all 67 provinces and one-third of the districts. The Motherland Party (MP) has opened a district organization in Fatih (Istanbul), as well as provincial organizations in Denizli, Trabzon and Sivas. Nationalist Democracy Party (NDP) Chairman Turgut Sunalp was present at the opening of an NDP district organization in Istanbul's Kadikoy district.

## SODEP

In response to a question posed by a CUMHURİYET correspondent, SODEP Chairman Durakoglu replied: "The law stipulates only one condition for participating in the elections--namely, a party must be organized in 34 provinces and one-third of the districts therein. Parties that meet this stipulation enter the elections. There are no loopholes in this law, nor is there any need for the Supreme Election Council to make any decisions in principle relative to this."

According to Durakoglu, SODEP will have opened 60 provincial organizations by the end of this month. The party will soon be completely organized in all 67 provinces and one-third of the districts. Recalling how little time there has been for organizing, Durakoglu pointed out that there have been no snags in the organizational program. He went on to say that the draft that will serve as a guideline for determining candidates for Parliamentary Deputy is under preparation, and a commission is working on the election platform. Also, founding members of SODEP who went into 15 areas to organize have returned to Ankara and submitted reports.

Fuat Ercetin, a lawyer, has been made Provincial Chairman for Edirne province. Four names have come up for the Kırklareli organization. Lawyer Yasar Yakinli, who has been named Sivas Provincial Chairman, has announced who is on the Board of Administration.



## MOTHERLAND PARTY

The MP opened a district organization yesterday in the Fatih district of Istanbul. Party Chairman Turgut Ozal was unable to leave his work in Ankara and come to Istanbul. The chairman of the new organization, a lawyer named Behlul Sermet Hobikoglu, listed the members as follows: Davut Nabiler, Taskin Koseoglu, Huseyin Pakmen, Ersin Yegin, Yasar Albayrak, Arif Sevil, Hadi Uzun, Sevki Dal, Yetkin Gunduz, Huseyin Aydin, Ismail Nurcan, Yavuz Selim Tokmak, Haluk Lengerlioglu and Recep Gecen.

Also announced yesterday were the openings of a district organization in Catalca (chaired by Ismet Gunersel) and provincial organizations in Denizli, Trabzon and Sivas. Muzafer Aracu was named Provincial Chairman of the Denizli organization, while Eyup Asik and Serafettin Oztas (a lawyer) were made Provincial Chairmen of the MP organizations in Trabzon and Sivas respectively.

According to MP Deputy Chairman Halil Sivgin, Chairman Turgut Ozal has travelled 17,000 km nationwide since the beginning of efforts to organize the party. Sivgin adds that Ozal will be covering another 50,000 km in the days ahead to spread election propaganda.

## POPULIST PARTY

The Populist Party reportedly has 20 provincial organizations. Recent additions include the Trabzon organization, chaired by Mehmet Kara, and the Sinop organization, chaired by Hamdi Sen. Kara is the former deputy mayor of Trabzon, while Sen is a retired accountant.

Populist Party Chairman Necdet Calp will be making a speech tomorrow to announce the opening of a district organization in the Yenimahalle district of Ankara.

## NATIONALIST DEMOCRACY PARTY

The NDP now has five Deputy Chairmen. Namik Kemal Senturk is the latest addition.

Hamdi Hulusi has become Provincial Chairman of the party's organization in Icel. He is a merchant. Onder Aktas, a lawyer, was made Central District Chairman in that province.

Kamran Inan, Turkey's permanent representative to the UN office in Geneva has been in contact with NDP Secretary General Dogan Kasaroglu. The date for Inan's entrance into the NDP will reportedly be discussed today when Inan meets with Turgut Sunalp. Sunalp is opening the NDP provincial organization in Ankara today.

The NDP's provincial organization in Samsun, chaired by lawyer Abdullah Keseloglu, has now been set up and the organizational petition has gone to the governor's office.

Ulku Soylemezoglu, undersecretary in the Ministry of Housing and Redevelopment, will also be joining the NDP.

#### TURGUT SUNALP DISCUSSES GOVERNMENT'S ROLE IN THE ECONOMY

NDP Chairman Turgut Sunalp opened the Kadikoy district office of the NDP yesterday. In a speech he delivered during the opening ceremony, he said: "We see public enterprise as a structuring element in the economy and as a complementary element in those areas where private enterprise falls short."

The ceremony was held on KUSDILI Street in Kadikoy. A ram was sacrificed on the doorstep of the district headquarters there and the blood smeared on Sunalp's head.

The doorstep had been quite crowded prior to the ceremony. NDP partisans gathered in the street waiting for Sunalp. They brought forth a ram, bound its feet, then looked for a cup in which to spill its blood. They were told that Sunalp would be unveiling the sign reading 'Kadikoy District Headquarters,' and that they were not to enter the building until the unveiling was complete.

Sunalp arrived in a green Mercedes (license plate 34 VZ 007). He was accompanied by his wife. They got out of the car and began throwing kisses at the crowd. At this point, the blood spurting from the ram was put into a vessel and smeared on Sunalp's forehead. As Sunalp entered the building, one partisan grabbed him by the arm and told him to press the blood onto his forehead. Sunalp ignored the blood and entered.

ODVI videotaped Sunalp's speech and all of the handshaking. In his speech, he told the people that he particularly wanted to be present at this opening ceremony because he had lived in Kadikoy years ago. After that, he expounded on the party's economic views.

Pointing out that the NDP's policy is based on a "mixed economy," Sunalp explained, "We are up against a barren concept of statism wherein the state has a hand in everything. We see public enterprise as a structuring element in the economy and a complementary element in those areas where private enterprise falls short."

Saying that he believes serious measures must be taken in the State Economic Enterprises, Sunalp added that they need to be restructured. "We want the free market economy to operate

effectively," he stated, "Our goal is to reduce government interference in the economy and make the price mechanism function properly in coordinating distribution of resources."

Present at the ceremony were: NDP Secretary General, Dogan Kasaroglu; Istanbul Provincial Chairman, Kenan Yilmaz; Istanbul Provincial Secretary, Erol Kaner; former Director General of Anatolian News Agency, Atila Onuk; former parliamentarian Yilmaz Hocaoglu and many party members.

The administrative board of the Kadikoy district organization is chaired by Mehmet Aytemiz, a lawyer. Board members include: Ergun Akdag, Melih Ilgaz, Rasim Ozsulu, Mirza Akboga, Huseyin Erdener, Leyla Soner, Ali Dincer and Hilmi Demir.

#### VETO OF FOUNDING MEMBERS OF THE POPULIST PARTY, THE NEW ORDER PARTY

The National Security Council just vetoed nine founding members of the National Order Party, including the party's chairman, Vehap Esendag. One founding member of the Populist Party-- former Parliamentary Deputy Sinasi Ozdenoglu-- was also vetoed, bringing the total number of vetoed Populist Party founders to 12. Despite the fact that this was the third veto for the Populist party, this party has managed to become the third party whose organization is complete.

With the rejection of nine members of the New Order Party, the party's list of founding members has dropped to 21. Vetoed members include: Chairman Vehap Esendag (retired officer); two Deputy Secretaries General--Jale Atilihan (retired teacher) and Ayhan Duruoglu (art history expert); member of the Board of Discipline, Hatice Yildiz (housewife); five members of the Central Executive and Administrative Board--Ismail Yildiz (tour guide); Sukra Arsan (industrialist), Turhan Sencan (retired officer), Yurdusev Duran Ozlu (housewife) and Sureyya Cetinbinici (retired Colonel).

In accordance with the Political Parties Law, the New Order Party has five days to submit names of new founders to replace the vetoed ones.

As for the Populist Party, this party had earlier gained a legal identity by applying to the Ministry of Interior with 33 founding members. As a result of investigations, however, 8 members were vetoed. The Populist Party then submitted the names of 7 other founding members to replace the 8 who were vetoed. Only three of these were accepted, and another four names were once again submitted to replace the latest rejects. The State Prosecutor's office informed the Populist Party that it had no objection to any of the four members; however, the NSC vetoed one of them-- Sinasi Ozdenoglu. The other three who did receive NSC approval

were Ihsan Gurbuz, Isa Vardal and Mahmut Akkilic. So, of the 44 names submitted to date by the Populist Party, 13 have been vetoed, leaving a total of 31. Since the legal requirement calls for 30 founding members, the party has therefore met the requirement.

Populist Party Chairman Nejdet Calp made the following statement relative to this: "Since the Populist Party has received NSC endorsement of 31 of its founding members, it is now entering the service of our beloved people as a party that has completed all of the legal requirements. It will be up to our Board of Founders to decide whether or not to submit a new name to replace our one vetoed founding member."

As of this time, the NSC has vetoed 195 of the 511 founding members of the newly-established parties. Five party chairmen were among those vetoed. These include Erdal Inonu (SODEP), Zeyyat Kocamemi (CWP), Baha Vefa Karatay (Great Mission Party) and Vahap Esendag (New Order Party).

The number of vetoed founding members for each party is given below, excluding the Great Party of Turkey, which was closed through NSC resolution nr. 79:

NDP: 3 vetoed out of 41  
MP: 7 vetoed out of 37  
Populist Party: 12 vetoed out of 37  
Great Mission Party: 62 vetoed out of 63  
SODEP: 34 vetoed out of 55  
CWP: 30 vetoed out of 62  
New Birth Party: 38 vetoed out of 52  
New Order Party: 9 vetoed out of 30

The NSC is still looking into the 35 founding members of the Merit Party, the 31 founding members of the Conservative Party, the 35 founding members of Our Party, and the 33 founding members of the Welfare Party.

Today the New Birth Party is submitting the names of 33 people to replace its 38 vetoed founding members. The names will be going to the NSC and to the State Prosecutor's office. The NSC was responsible for all 38 of the vetoes already made.

#### CORRECT WAY PARTY ORGANIZES IN 10 PROVINCES AND NUMEROUS DISTRICTS

Mehmet Muhsinoglu, Deputy Chairman of the CWP, announced the ten provinces and numerous districts where the CWP has become organized, saying, "Correct Way is having no problems getting organized because it comes from the heart of the people."

According to Muhsinoglu, Correct Way is going to lead the nation to peace, prosperity and happiness. As he put it, "Our goal is



Bingol....Provincial Chairman: H. Ahmet Baylas (agriculturist)  
Central District Chairman: Ahmet Baynal

Nevsehir..Provincial Chairman: Ismail Zedelenmez (merchant)  
Central District Chairman: Mustafa Inanan

12279

CSO: 3554/384

## INTERVIEW WITH POPULIST PARTY LEADER CALP

Istanbul CUMHURIYET in Turkish 22 Jul 83 p 7

Text "Entering elections with a government that sides with one party or another has no significance," said Populist Party Chairman Necdet Calp, "I'll leave it to the people to comment on this." Calp noted how parties tending to give the impression that the administration was backing them were contradicted by the President in his recent speech. He also maintained that introducing a double barrier into the election system would lead to injustices and inequities. In response to one question directed at him, he answered that his party's first goal was to lead the country strongly into the 6 November elections through the party system.

Calp responded to questions from a CUMHURIYET correspondent as follows:

QUESTION: How many parties do you think will be entering the elections on 6 November?

RESPONSE: It's hard to estimate at this point. We'll all have to wait and see how many parties are left.

QUESTION: Rumor has it that only three parties will be able to enter the elections despite continued organizational efforts by a number of parties, including some new ones. What is your opinion on this?

RESPONSE: Those who are founding the parties can't answer this; they have no idea.

QUESTION: NDP chairman Turgut Sunalp claims that his party is the strongest. What do you think about this?

RESPONSE: If that's what he says, he obviously believes it.

QUESTION: How do you feel about the Prime Minister and many members of the Council of Ministers' joining the NDP?

RESPONSE: I think that's quite normal.

QUESTION: Can the elections be held if the current administration does join?

RESPONSE: I do not see any problem with this. So far I have seen virtually nothing to indicate that the administration won't be acting impartially. Indeed, holding elections under a government that sides one way or another is of no significance. I'll leave it to the people to comment on this.

QUESTION: What do you think of rumors that certain parties are being backed by the administration?

RESPONSE: In a recent speech he made, our President himself criticized those who are giving the impression that the administration is backing them. Speaking for the government, he said, "We are neither right nor left; we are right in the middle." Until there is any evidence to the contrary, we have to believe him.

QUESTION: In your earlier statements, you said that your party was in the running. Is there anything specific to indicate that this is true?

RESPONSE: Every party thinks it has a chance. So do we. I don't want to give you any percentages on this; it wouldn't be right. Those who are giving such percentages are doing wrong. Why? because this is the first time we're using this election system and the first time we're trying it out with the new parties. We have nothing to use as a measure. That's why I prefer to say "We have a chance."

QUESTION: What do you think of the election system?

RESPONSE: A double barrier system has been introduced. This is going to lead to many injustices and inequities. Actually, there is a single barrier. Let me give you an example: Let's say that the barrier is 40,000 votes, and three parties receive 39,000 votes and one party receives 41,000. Despite the difference of only 2000 votes, if three deputies were candidates from the parties receiving 39,000 votes, the one party with the 41,000 votes would knock out all three. This is the injustice in the system.

QUESTION: In one of your speeches, you mentioned "the new politician." What is your concept of "the new politician?"

RESPONSE: I am referring mainly to representatives of the people who are enthusiastic about politics. While choosing provincial and district chairmen, we decided to include former politicians. We put in requests for seven, but have received permission for only one. We've wasted 15-20 days waiting for this. We've given up.

QUESTION: What is going to be your party's first goal?

RESPONSE: In all honesty, our first goal is to lead the country strongly into the 6 November election through the party system. Our goals after that center upon unemployment, housing, health insurance, investments and education.



QUESTION: Okay, how are you going to resolve these problems, given Turkey's current capabilities? Where are you going to get the resources?

RESPONSE: Let's use the housing problem as an example. Half of the money for this will come from the citizen. Let's say he pays 500,000 lira plus monthly payments. The money will go to the state. This money used to go first to the bankers and then to the banks.

QUESTION: What sort of relations will your party have with the World Bank and the IMF?

RESPONSE: If we come to power...you mean. The world is now like one big country. Cooperation is being given in all areas from credit and finances to transfer of technology. We are in favor of this cooperation. We will cooperate in any way that will not endanger our autonomy.

12279

CSO: 3554/384

## POLITICAL TWIST TO KOZANOGLU-CAVUSOGLU BAIL OUT

Istanbul CUMHURIYET in Turkish 29 Jul 83 pp 1, 11

[Article by Yalcin Dogan: "The Footsteps of the MDP"]

[Text] Ankara -- Every day is a "busy day" for the Finance Ministry, because the Finance Ministry's schedule is already overcrowded. The past 3 days, however, have added "extra burdens to the routine overload": First, the bail-out of Transturk Holding and, second, the sudden turnover of the Kozanoglu-Cavusoglu firms group to the Hisar Bank under Finance Ministry supervision. This "turnover" left Kozanoglu-Cavusoglu with only one of its firms, that being a construction firm engaged in contracting abroad.

Turkish society has grown accustomed in recent months to the state takeover of banks, bail-out of firms and involvement in various subsidies. At first glance, both the Transturk bail-out and the Hisar Bank takeover of Kozanoglu-Cavusoglu Group shares would seem but another of these customary "procedures." The Transturk incident, perhaps, may be considered a new link in what has now become a routine chain. The attachment, which included everything down to the home telephone of Fuat Suren, the head of Transturk Holding, is now to be resolved in the next few days. He will have around 14 percent left, barring any last-minute change. Even though its share has dropped, Transturk will be trying to straighten itself out with bank support.

The Kozanoglu-Cavusoglu matter, though, is a horse of a different color. The methods applied in working out a solution may be the same as with other firms, but the Kozanoglu-Cavusoglu group includes the newspaper GUNES, and its "future situation and status" have political implications. It is precisely at this point that "politics comes in" and promises to go even further.

The discussions on the status of the Kozanoglu-Cavusoglu group and "how" it was to get out of its financial squeeze were conducted usually by Omer Cavusoglu. From the time he arrived in Ankara, he was closeted at every opportune moment with Finance Minister Adnan Baser Kafaoglu. So, as the result of these meetings, Cavusoglu got to this point: "To turn over to Hisar Bank the services of Kozanoglu-Cavusoglu Holding, exclusive of the construction firm engaged in contracting abroad." It was wrapped up in the meetings, and the decision adopted by Finance Minister Kafaoglu was put in process on Monday. The overseas construction firm was already under state subsidy, because all construction firms engaged in contracting services abroad have been working under state subsidy for

a long time. There could be no question, therefore, of turning over to Hisar Bank the shares of the overseas construction firm. The minister had only to remind Omer Cavusoglu of this point and the holding company's shares were turned over to Hisar Bank. Because Hisar Bank itself came under Finance Ministry control a few months ago, the firms of the Kozanoglu-Cavusoglu group are now under state control.

GUNES, included in this group in the "turnover" procedure described, is the first newspaper to come under implicit control of the Finance Ministry via Hisar Bank. Omer Cavusoglu and Ahmet Kozanoglu together held around 60 percent of the shares in GUNES. When they turned their shares over to Hisar Bank, GUNES was turned over to the Finance Ministry.

So the political dimension of the incident is obvious at this point. The MDP [Nationalist Democracy Party] enters the scene in the debate over future administration of GUNES. MDP General Secretary Dogan Kasaroglu considers GUNES "his" newspaper.

Some sources say Kasaroglu conveyed his views in this regard to the Finance Ministry in the form of a "suggestion."

Kafaoglu, though, is not a jack of the same trade. The Finance Ministry is leaning towards "bringing in a finance representative" to head GUNES. So, Kasaroglu publishes a statement prompted by this difference of opinion in GUNAYDIN on 27 July (day before yesterday). The MDP general secretary's statement reads verbatim:

"Kafaoglu is one of our most respected colleagues. But he is also pursuing an erroneous economic policy. Kafaoglu chose a route of bailing out troubled businesses. This is quite wrong."

The GUNAYDIN report then goes on to say:

"MDP leaders say they are happy to have Kafaoglu join the party, but if they win the elections he will not be given the ministry."

The above comments by MDP leaders, in putting this kind of pressure on Kafaoglu over GUNES, certainly have other implications. Now the point which is not yet clear is who will be at the helm of GUNES from now on. Will the MDP prevail, or will Kafaoglu? Let us see.

8349

CSO: 3554/392

## CORRECT WAY PARTY LEADER INTERVIEWED ON POLICY

Istanbul CUMHURİYET in Turkish 11 Aug 83 pp 1,7

[Report by Fusun Ozbilgen]

[Text] Correct Way Party [DYP] leader Yildirim Avci said: "We will show in the first election we enter that we can be Turkey's biggest party." Stating that a merger [with another party] is not an item on DYP's agenda, Avci said: "Our nation will choose or reject us on 6 November."

We were having a conversation with DYP's Istanbul Provincial Leader Yasar Keceli in a well-furnished room of the firm Bakirsan, which Keceli heads as the chairman of the executive council. When Avci walked into the room, we continued our conversation with him. Nationalist Democracy Party leader Turgut Sunalp's words on the issue of merger were still on my mind from the conversation I had had with Sunalp the same morning. Sunalp had said that "persons agreeing on the same principles must work within the same party." I asked Avci what he thought about this issue. He replied:

"The issue of merger is not an item on the agenda of the DYP, which has drawn the attention of millions of citizens even though it was forced to organize itself in a very short period of time and which has raised its banner in the remotest corners of the country. Our nation will choose or reject us on 6 November."

"Nevertheless, Honorable Avci, are you not in agreement with right-wing parties on common principles?"

Avci responded to this question as follows:

"All Moslems say their Friday prayers; they all share the idea of being Moslems and saying Friday prayers. But some of them may say their prayers in the Suleymaniye Mosque while others may prefer doing it in the Eyup Mosque. This is a matter of preference. Any given individual may like the architectural effect of a certain mosque or the way its imam preaches and may therefore prefer that mosque. We have differences with other parties on the issue of the constitution of the parliament. We believe that all parties must enter the race under equal conditions."

I reminded the DYP leader that he is not a particularly well-known public figure and asked him about the disadvantages of the fact that he is being promoted as a less-known public figure. I also asked him to introduce himself. Avci said:

"The laws enacted after the 12 September operation envision the reestablishment of the political parties and the exclusion of the former party cadres from active political life for a certain period. Therefore, it will be noted that the founders and leaders of virtually all the parties are new names. Thus I do not think that this represents a drawback for our party.

"The masses which came together in the right end of the political spectrum have shown--and continue to show--great interest toward the DYP, which with its ideas and philosophy fills a vacuum in this area.

"I was born in Cal in 1927. I graduated from high school in Denizli and from medical school in Ankara. I did my residency in the medical school and in Germany. After practicing medicine for 28 years, I served as the Denizli representative in the Consultative Assembly."

I asked Avci about his views on economic issues and the 24 January decisions. I asked him whether he finds these decisions beneficial or harmful. He replied briefly:

"The 24 January decisions package was a 'jolting and recovery' measure taken in order to halt the undesirable slide of the economy. It cannot be seen as a permanent economic model. This treatment method saved Turkey from economic collapse at the time it was instituted. But, later the necessary auxiliary measures were not and could not be taken."

"What do you think about the operations to bail out firms? Should these firms be bailed out or should they be abandoned to the laws of the market?"

"I do not think that organizations which have been set up with Turkey's limited resources and which are vitally important for our economy should be abandoned to their fate. Because we see this as an issue of production and employment."

I wanted to learn the DYP leader's views on the press. I asked him whether his party is pleased with its relations with the press and what he thinks about draft bill on the press that has been submitted to the Consultative Assembly. [Avci said:]

"The press has been trying to introduce the new parties to the public--though to a different extent for each party--within the bounds of the present conditions. I thank the members of the press corps for performing their functions properly in the transition to democracy. As for the issue of the draft bill on the press, as the great Ataturk said, problems arising from the freedom of the press can only be resolved by the freedom of the press itself."

Our last question to Yildirim Avci was:

"Your party has still not received the endorsement for the 30 founding members that is necessary to enter the elections. If the latest list of founding

members is not approved and if, therefore, you are not eligible to enter the elections, will you continue as a party and if so what will your goals be?"

Avci replied:

"The issue of vetoes is beyond our decisions and will. We are preparing vigorously to run in the elections of 6 November. We will show in the first election we enter that we can be Turkey's biggest party. We are determined to continue as a party under all circumstances."

When we were leaving Bakirsan after our conversation, company employees were arguing about "which actor Yildirim Avci resembled" and female employees were praising Avci's good looks. It appeared from these conversations that the DYP may win strong support from female voters.

Yildirim Avci attended the opening of his party's Istanbul party branch yesterday morning and was photographed with members of the party's provincial executive council and district leaders. In a speech during the ceremony, Avci said: "At this time, it is impossible for us to hold a ceremony to open our provincial branch building. For known reasons, our party has not yet fulfilled the legal requirements. We hope that we will soon hold the ceremonies we cannot hold now for reasons beyond our control. So far, we have set up party organizations in 57 provinces." DYP Istanbul Provincial Leader Yasar Keceli announced that 13 district organizations have been set up in Istanbul after having completed all legal formalities and that 6 more district organizations will be set up on Monday. The Istanbul provincial leaders of the other parties were also invited to the meeting held the DYP provincial headquarters. The only ones who responded to this invitation were the Populist Party Istanbul Provincial Leader Muin Kuley and the Social Democracy Party Deputy Provincial Leader Ozer Oral. While being photographed with Kuley and Oral, DYP leader Avci said: "The interparty dialog has thus begun."

9588

CSO: 3554/400

## INFLAMMATORY ILLICAK COMMENT ON DEMOCRACY, DICTATORSHIP

Istanbul TERCUMAN in Turkish 10 Aug 83 pp 1,10

[Commentary by Nazli Ilıcak: "Each Night Comes Between Two Days"]

[Text] There are 156 states in the world. Of these, only 22 are parliamentary democracies. The most advanced countries are included in this group.

Of these 156 states, 33 have military regimes. Of the military regimes, 14 are in Africa, 5 are Arab countries, 3 are in Southeast Asia, one is in South Asia (Indonesia), one is in East Asia (Korea) and 9 are in Latin America.<sup>1</sup>

For those in the first group, the source of the government's power is the will of the nation. Ataturk was explicit about his goals when he said: "Sovereignty cannot be built on fear; authority that relies on guns cannot have permanence." Ataturk also said: "National sovereignty is the source of freedom, equality and justice."

Recently there was a coup in Upper Volta, one of the countries in the second group. The leader of the coup, Thomas Sankara replaced Commander Jean Baptiste. Jean Baptiste had overthrown Colonel Saye Zerbo on 7 November 1982. And Colonel Zerbo had replaced General Lamizana on 25 November 1980, also by a coup.

One should not seek stability in the countries in the second group. Because national will is the sole source of stability. In democracies, "a man can neither be insulted by a military prosecutor like Musaddik, nor can he be hanged from his feet like Mussolini. When he is in power he is not empowered to declare anyone he wishes a traitor and, conversely, it is impossible that he will wake up one morning to learn that he is the traitor, as it often happens behind the Iron Curtain. He will not be praised unnecessarily when he is in favor, but he will not be subject to the wrath of his former flatterers when he falls. When he is in power his words are not considered enlightenment or prophecy and when he is in the opposition his criticism is not considered provocation or treason." <sup>2</sup>

In democracies, there are no excesses or shortfalls. Turkey has endorsed the basic goals drawn up by Ataturk: A parliament which draws its power from national will and which is constituted by free and honest elections will form the basis democratic authority and stability.

In the long run, stability can only be found in democracies. Democracies have no room for fait accomplis, adventures and sudden changes of government that may shake the country at its foundations. The person who is in power today will have an honorable position in the opposition tomorrow. He will not have to take refuge in his pajamas in a foreign ship like Peron, leaving his mistresses, dollars and wardrobes of clothes behind. He will not have to take his own life in a shelter like Hitler. He will not be hanged from his feet from a street lamp like Mussolini.

He will go as he comes. He will come to power by election and he will leave by election.

Many eloquent words have been said about democracy and freedom:

"The tyrant always hates persons who care about their dignity and freedom. Because the tyrant wants all fame and honor to be his. For that reason, he considers such persons as usurping things in his own monopoly." (From "The Politics" by Aristotle)

"In a dictatorial regime, cowardice takes different forms. The cowardly person first remains silent in resignation and eventually he gets so lowly as to show vigorous admiration for persons and acts his conscience cannot approve." (From "Les Dictatures" by Cambo)

"The state which makes dwarfs of its subjects in order to make them more obedient tools in its hands will eventually understand that big things cannot be accomplished by small people." (From "On Liberty" by John Stuart Mill)

Turkey has spent 100 years struggling for freedom. At times the sun of democracy has set, but it has always risen back. Because every night comes between two days.

---

1. "World Politics"

2. Turhan Feyzioglu, "On Democracy and Dictatorship"

9588

CSO: 3554/400



## EVREN DISCUSSES NEW REGIONAL ADMINISTRATION SYSTEM

Istanbul CUMHURİYET in Turkish 9 Aug 83 pp 1,7

[Excerpt] Ankara--President Kenan Evren said that "one of the leading problems today" is the fact that "persons working in the administrative machinery are not showing adequate interest toward the wishes and demands of our citizens" and that if public servants continue not to show adequate interest to the citizens in the future "appeals to assembly deputies will resume once again." Evren also stated that he believes that the system of "regional governorships" will be "a major step forward for Turkey."

The President received the nine reassigned and seven newly appointed governors in the presidential mansion yesterday. During the reception Evren complained about the fact that public servants working under governors have not been showing adequate interest toward citizens. Stating that regional governorships will be established to facilitate the smoother functioning of ministries in Ankara and to resolve certain bottlenecks, Evren said:

"Our leading problem today is the fact that persons working in the administrative machinery are not showing adequate interest toward the wishes and demands of our citizens. I conclude this from hundreds of letters that have reached me. Naturally, not all our citizens can see you personally, but public servants working under you are unfortunately not showing the necessary attention to these citizens. You must fight this situation personally and you must remind these public servants that this is their duty. The citizen may not know something and may file an improper petition. The citizen may be ignorant. The public servants are supposed to show such citizens the correct way. If that is not done, appeals to assembly deputies will resume, particularly in the coming period. If we want to cut the citizen's links with Ankara, his problems must be resolved at the local level. If we cannot do that, the citizen will go to the provincial and district leader of the party in power or the local assembly deputy, or he will come here, disturb the ministries and make this place unworkable."

Stating that regional governorships will be established within a new organization to resolve these problems, Evren said:

"I believe that these regional governorships will be a major step forward for Turkey. This will be nothing more than the ministry handing over some of its responsibilities to the next lower level. Because a ministry is no longer

capable of dealing with the affairs of 67 governorships. That being the case, work can proceed more smoothly by assigning certain responsibilities to regional governorships. Another great problem we have is supervision. Central supervision has been impossible for all 67 provinces. Regional governorships will perform part of this supervisory function and will thus make sure that work proceed more smoothly and expeditiously."

9588

CSO: 3554/401

## TIMELY ISSUE OF LARISA HEADQUARTERS ESTABLISHMENT BY U.S.

## Main U.S. Goal

Athens 1 AVGI in Greek 7 Aug 83 pp 1, 2

/Article by Sofianos Khrysostomidis/

/Excerpt/ The strengthening and unity of NATO's southeast wing--and in this context, the establishment of the Larisa Headquarters--is considered to be at this moment the main U.S. goal following the initialing of the agreement on the American bases. The Americans do not hide their satisfaction "for the realism and understanding shown by the Greek side during the difficult course of the negotiations for the bases." But they believe the pro-Western spirit will be restored--"and the anti-Americanism will be toned down"--only if, following the agreement on the bases, other "positive developments" get underway, such as the normalization of the Greek-NATO relations, the promotion of the Athens-Ankara dialogue, the possible invitation of Premier A. Papandreou to Washington, etc.

Senior State Department officials believe "the new generation in Greece should not grow up with a spirit of anti-Americanism" and for this reason it will be necessary to give the unconvinced Greeks "clear evidence of the American good will," with the possible inflow of American capital into Greece, an increase in the number of American scholarships and also an effort to reach certain specific objectives in harmony with the interests of NATO and the U.S. in the area.

## The Larisa Headquarters

The establishment of the Larisa Headquarters, which is regarded today as the number one American objective, is handicapped by the hesitation of Washington to exert any pressure on Ankara to agree to the Aegean operational control setup which was in force prior to August 1974.

Already the Greek side made it clear to the Americans that there would never be a Greek government (now or in the future) that would even think of placing the Greek islands in eastern Aegean "under the protective umbrella of the Turkish Air Force." Therefore, any discussion about the establishment of the Larisa Headquarters is "without value or content" since Ankara and the

NATO headquarters in Brussels do not accept a return of the 1974 regime of operational control in the Aegean.

In view of this, the Reuter report this week that Premier Papandreou appears "to be gaining (possibly) the support of the Americans for the solution of certain vital foreign and domestic problems of the country"--among them being the problem of the operational control in the Aegean--was characterized more by expressions of wishful thinking than by the presence of real possibilities. As emphasized by political observers, Washington's choices (in the feud between Athens and Ankara) remain steadily in favor of Turkey "since it has 610 kilometers of common border with the Soviet Union."

In his report to the recent session of the PASOK Central Committee, the premier said that our relations with NATO and Washington pass through Ankara and added: "There has been no successful move by anyone on the question of NATO."

#### Prospects Following Bases' Agreement

Athens TO VIMA TIS KYRIAKIS in Greek 7 Aug 83 p 3

/Article by Giannis Kartalis/

/Text/ The period following the signing of the agreement on the bases raises a key question for the foreign policy as it goes through its first stages: Will the solution of the first leg of the fatal triangle (Bases--NATO--Aegean) lead to a certain settlement of the other two or not?

There is no question that for the first time since 1974--following the signing of the agreement for the bases--a serious national issue has been removed and an open wound has been healed. It is also certain that this agreement will lead to a significant improvement in the climate between Athens and Washington.

In this context we may expect the American Secretary of State, George Shultz, to visit Athens, a fact which will give a formal seal to this new period in Greek-American relations. In this new dialogue to be inaugurated with Washington, one of the main subjects to be discussed will certainly be the relations between Greece and NATO. These relations, however, have no chance to be normalized without first having some progress in the solution of the Greek-Turkish differences over the Aegean.

This is because the critical point in the relations with NATO is the establishment of the Larisa Headquarters. This headquarters cannot be put into operation without first solving the question of air control over the Aegean, which is a main point of contention between Athens and Ankara. Inevitably the relations between Greece and NATO reflect the Athens-Ankara relations, since Turkey, with the support of Brussels (and the use and mobilization of the Alliance mechanisms), will try to achieve a so-called compromise in the

Aegean, which will satisfy its aims in the area.

Thus, the negotiations provided by the famous Rogers Agreement on the Larisa Headquarters are frozen while NATO exercises in the Aegean region. They have been discontinued mainly because of the dispute on the question of Limnos.

At this point it must be noted that the Greek government has made clear to NATO that the agreement on the re-entry into NATO will remain frozen for as long as the Alliance continues to refuse to accept, as the limit of operational responsibility for the Larisa headquarters, the FIR Athens and for as long as the non-demilitarized islands in the Eastern Aegean (such as Limnos) are excluded in planning the Allied exercises.

As Premier Papandreou explained to the PASOK Central Committee: "The Rogers Agreement remains un-implemented for several reasons, but the main and most basic is that implementation, according to the interpretation given by NATO, the U.S. and Turkey, would mean the transfer of one section of the Eastern Aegean to the Turkish defense."

Washington appears to understand that a settlement of the NATO question requires real progress in the Greek-Turkish relations. For this reason the American government informed the Turkish government that it would be useful to avoid actions in the future which could cause new tension in the area.

There are recent indications, as a matter of fact, that NATO is beginning to move closer to the Greek views. If these indications turn out to be true, then a new round of negotiations on the Larisa Headquarters should not be ruled out.

But no movement in this direction can be expected without improvement in the relations between Athens and Ankara. The first steps toward such an improvement certainly took place already with the Greek-Turkish meeting of 27 July. Even if the talks at the meeting were limited to trade and tourist issues only, the fact that they took place is significant. Of course, nothing can foretell what will happen in the future, especially in view of the recent record of Greek-Turkish relations.

Everyone knows that the negotiations conducted for years by the ND government led nowhere because of the refusal of the Turkish government to make the necessary concessions which could open the way for an honest agreement. The only positive effect of those negotiations was they resulted in fewer Turkish provocations in the Aegean, but not in a complete termination.

The question then, is if the strong military government in Ankara would be prepared in a future Greek-Turkish dialogue to move seriously to negotiations and not into an artful effort to push forward its unacceptable views which in effect aim at the division of the Aegean. For the time being there is no such indication.

Regardless of any developments in the fateful triangle, the "after the bases agreement" period of Greek foreign policy coincides with another significant development: the Greek chairmanship of the EEC. This is a significant development, indeed, because regardless of the known views of PASOK on the EEC, the Greek chairmanship coincides with a general review of community policy.

Papandreou, speaking to the PASOK Central Committee, said characteristically: "It is a strange historic coincidence that Greece assumed the presidency precisely at the moment the Ten EEC members face the big question of Shakespeare, 'To be or not to be.' The responsibility to pull the chestnuts out of the fire fell to us."

So, this historic development gives Greece the opportunity to push forward a policy which will possibly change the character of the EEC, giving greater weight to its less developed countries. For example, a restructuring of the communal funds could contribute positively to the redistribution of income. This would allow the countries with a slower development pace to bridge the gap dividing them from the advanced countries.

One would, of course, be very naive to expect that the road to reach this goal will be easy, or that the chairmanship has so much power that our country would be able to impose its policy. This is so for a very simple reason: decisions are reached by concessions and unanimity is difficult to reach on particularly sensitive issues.

It is certain that the Greek government will responsibly play the EEC game and has already registered certain positive achievements such as the approval of the complimentary budget of 1983 and of the draft budget of 1984. The Greek chairmanship also wishes to undertake a peace-making initiative in Central America. But here, too, the fate of this initiative will depend on the response of the other nine members.

Thus, following the initialing of the agreement for the bases and the assumption of the EEC chairmanship, new prospects open for the Greek foreign policy. But the future will show if the goals of this policy will be fully realized. What is certain, however, is that a new beginning has taken place.

7520  
CSO: 3521/416

MILITARY

GREECE

NEW REGULATIONS AFFECT SECURITY CORPS ENTRANCE

Athens AKROPOLIS in Greek 9 Aug 93 p 3

/Text/ The Ministry of Public Order announced a competition for entrance into the cadet schools of Gendarmerie and the Cities Police. The competition for the Gendarmerie Academy will take place from 10 to 14 October and for the Cities Police from 8 to 10 October. Eligible for the competition are citizens, men or women, with a law school degree in the departments of law, political science or the Pandeios School. Also eligible are graduates of the law school, Pandeios, Superior Commercial School, Superior Industrial School, who are already serving in the Security Corps.

All told, 60 will be admitted to the Gendarmerie Academy and 40 to the Cities Police Academy. It must be noted that this is the second time private citizens will be admitted to these officer colleges. The first time there was considerable reaction and charges were expressed that this was done in order to admit specific persons without going through the lower ranks of the Corps.

Another "innovation" introduced by yesterday's decision is the requirement of a university level degree for admission to the officer academies while, until now, the competition was open to those serving in the Security Corps, provided they had graduated from gymnasium.

This measure is expected to cause serious reaction among lower-ranking organs who hoped to become officers.

7520

CSO: 3521/416

## BRIEFS

FISHING AGREEMENT WITH MAURITANIA--Portuguese fishing boats will be able to resume fishing in Mauritanian waters, following a settlement between the two countries as a result of the visit to this African nation of the minister of foreign affairs, Jaime Gama, from 20 to 22 August. At the end of the visit, the state secretary for fishing, who accompanied the Portuguese delegation, stated that the talks between the foreign ministers of Portugal and Mauritania brought about a solution to the problem created by the debt owed by the Companhia Portuguesa de Pescas [Portuguese Fishing Company] to a Mauritanian firm, amounting to 2 million dollars. [State secretary for fishing] Faria dos Santos added that Portuguese fishing boats will be able to catch up to 20,000 tons of fish in Mauritanian waters during the course of next year. In Lisbon, Jaime Gama stated that his visit to Mauritania was a first step in the process of extending to other African countries the cooperation that Lisbon maintains with the Portuguese-speaking nations. [Text] [Lisbon O JORNAL in Portuguese 26 Aug 83 p 15]

CSO: 3542/211

END